

TAN

THE EVOLUTION HOAX EXPOSED

A. N. FIELD

(FORMER TITLE: WHY COLLEGES BREED COMMUNISTS)



PREFACE

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Evolutionism is the subject which the author examines. It is a subject the implications of which are, for some, obscured by the rodomontade of certain scientists. More dangerously, the true character of evolutionism is clouded for many by the vapourings of professional religionists, and in particular by such as choose to dispense that peculiar mixture of clergianity and Marxism known as the Social Gospel. In the mass media of England, the T.V., the press and the wireless, evolutionism is sacrosanct, and its speculative basis must not be discussed. The more vocal propagandists of the cult, however, have been granted access to the schools and universities. It is as paid educationalists that these are now licensed to press their atheism upon captive audiences, and, where and whenever possible, to overthrow the faith of children.

In this compact survey, Mr. Field shows evolutionism to be a scientific fraud. He brings forward the facts which enabled him to recognise the modern university college as a machine for de-Christianising and demoralising the community.

In his chapter, *Evolution's Offspring*, the author opens up a very fruitful line of research, and reveals the origin of much of the spiritual and intellectual unrest of our times. This is generated by the wilful abandonment of Scripture; yet there are signs that the wheel is coming full circle. Again, one here, one there, is prompted to return to, and to dare to believe what God has written.

May this book play some part in encouraging that return.

THE PUBLISHERS.

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Chapter I

THEORY VERSUS REALITY

THE PURPOSE of this book is to show the falsity of a theory which for three-quarters of a century has dominated all British thought. Nominally, the theory of organic evolution is no more than a proposition in biological science. Actually, it is the parent and support of a whole host of subsidiary theories—political, economic, and scientific—all accepting as established truth things which are wholly unproven, and many of which are demonstrably untrue.

On evolution's twenty-first birthday in 1880, Thomas Huxley, chief propagandist of the Darwinian gospel, remarked that it was "the customary fate of new truths to begin as heresies, and to end as superstitions (Huxley's *Life and Letters*, ii, 12). Evolution, disguised as truth, has run this full course. In the light of all the facts it is no overstatement to say that it has made the universities and higher educational institutions of the British Empire, not centres of enlightenment but haunts of superstition and intellectual darkness. The theory of evolution is only kept going by constant distortion of observed fact, and its main result is wrong-headed thinking on all aspects of life.

In the universities of Britain, the British Empire, and the United States a strong under-current of subversive influence has been operating on the minds of students for many years past. Many people who have never had occasion to look into the matter closely regard this as due to nothing more than misguided ebullitions of youthful enthusiasm. There is evidence, however, of organised effort over many years in the work of deliberately pumping subversion into Britain's universities. Even a generation back it was recognised in New Zealand that the little trickle of university professors from Britain was bringing with it a steady insinuation of materialistic and subversive ideas into the minds of students. Since the outbreak of the present war public feeling on the matter has found emphatic expression in some parts of New Zealand. Evolutionist teaching prepares the ground for subversion.

It is well recognised that this mental infection is apt to colour the whole outlook on life of those who suffer it. Two professors of the University of London in 1933 were so impressed by this that they set out to collect statistics as to how far students supporting one "advanced," "progressive," or "unorthodox" movement tended to

support other such movements. The questionnaire did not inquire if the students believed in evolution, for this is nowadays taken for granted. According to the London Patriot of May 25, 1933, the numerous movements listed in the professorial questionnaire included birth control, abortion, sexual freedom, new education (without coercion), rationalism (atheism), nudism, psycho-analysis, anarchism, communism, socialism, refusal of military service, sterilisation, etc., etc. The universities were not established as hotbeds of propaganda for movements of the above character, but have become such.

In the United States in 1934 a somewhat similar questionnaire was circulated by an undergraduate organisation of Harvard University, the numerous questions in the forms distributed being, however, almost wholly on psycho-analytic sex lines with inquiry into students' views and habits (Boston Evening Transcript, March 14 and 15, 1934). These two inquiries bear sufficient testimony to a similar trend of infection in leading educational institutions in both Britain and the United States.

The practical outcome of university education today is the production of people with a boundless belief in all manner of unverified, and often unverifiable, theories. At the same time the general public is inspired with an equally boundless, and equally groundless, belief in anything labelled as Science. Experience is thrust out of the window as a useless teacher, and some little tom-noddy of a university graduate with a bagful of theories is blindly entrusted with the task of remaking heaven and earth.

In world affairs we see the fruits of modern university education in the present difficulties in which the British Empire finds itself involved, and from which the fortitude and resolution of the common people are left to extricate it. Throughout the nineteenth century, before the theorists took charge, British foreign policy was based on intelligent and practical principles. Ample armed force and minimum interference in European affairs was the rule. And long stretches of almost unbroken peace were the result.

At the end of the World War in 1918 our educated theorists got the bit properly between their teeth, and the edifice known as the League of Nations was exactly the sort of product to be expected from university-minded people. This scheme for the manufacture of peace on earth was all theory without any working parts whatever. Its principal promoter in the British Ministry during the last war got a Foreign Office report in 1916 on the draft plan, which report by Sir Eyre Crowe duly pointed out in detail that the projected League would do everything except operate as desired. This trifling shortcoming, however, was held in no way to detract from the theoretical beauty of the plan for remaking mankind. This text of this instructive report will be found in the Lloyd George War Memoirs (vol, iii).

In their worship of this Palace of Talk at Geneva our evolutionist

university-minded intellectuals were prepared to neglect and sacrifice every British interest. The clamour of these theorists resulted in Britain first throwing away her arms, and then entangling herself in every possible and impossible direction in other people's business in Europe and elsewhere.

After four years of suffering and endurance by the common people, the British had emerged victorious from the last war. All the fruits of victory were flung away by the theorists. An amazing financial policy was pursued at the bidding of a private corporation of secret and possibly foreign ownership: and the result was unemployed workers by the million over a period of twenty years—exactly as was predicted in the *London Times* in 1918 on the policy being first mooted. No effort worth speaking of was made to develop the nation's world-wide heritage. A great part of the time of the political heads was taken up in rushing from one international conference to the next, and signing pact after pact, each of which duly proved worthless almost before the ink was dry on it.

In the end, this twenty years of unreal politics based on unreal education collapsed like the house of cards it was. Britain found herself plunged into war under more disadvantageous circumstances in point of equipment and allies than ever before in her history. In this struggle the mass of the nation as before is exhibiting the high qualities of the British race.

As for the intellectuals, they have made the war the occasion for producing an even more flamboyant theoretical construction than their League of Nations Plan of the last war. Under the name of Federal Union this proposes a restoration of the gold standard for the benefit of the international financiers owning the world's gold stock; the dissolution of the British Empire; and, for all practical purposes, its virtual absorption by the United States. This remarkable project the present writer hopes to review at a later date.

Such are the fruits of our theory-mad age. And the fountain-head of these dreams and imaginings, divorced from reality is undoubtedly the theory of organic evolution produced by Charles Darwin just over eighty years ago. This is the grand river of falsity and corruption from which all sides of national life have been irrigated with the waters of untruth. The effects of this theory are so far-reaching that they deserve the attention of all. In the following pages we will trace out the present position of the case for evolution, the origin and development of the theory, and some of its consequences.

Chapter II

THE SKELETON IN THE CUPBOARD

WITH oaks to be seen sprouting from acorns, grubs turning into butterflies, and chickens pecking their way out of eggs, it is not surprising that human fancy from an early date toyed with the notion of one kind of living thing being transformed into some other kind. This idea has been the stock-in-trade of folk-lore and fairy tales in all ages and all lands. It was the achievement of Charles Darwin to make it the foundation of modern biological science.

At the end of the eighteenth century there occurred that great event known as the French Revolution, described in various quarters as a landmark in the liberation of the human spirit. Incidentally, the student may learn from Alison's History of Europe how in the course of this episode the mob in the streets of Paris roasted and ate the bodies of the massacred Swiss Guard of the royal palace on August 10, 1792, and how fifteen months later the multitude assembled in the Cathedral of Notre Dame to worship the Goddess of Reason, personified by an actress, also well known to the public in another capacity, placed naked by Government decree upon the altar of the French Westminster Abbey. State and people having alike discarded Christianity as outworn superstition, attention was directed in scientific circles to discovering how the world had come into being without intervention of the Almighty.

Modern evolutionist theory dates from the writings of two French scientists of this period, the Comte de Buffon and M. Lamarck, the latter of whom propounded a theory of evolution by inheritance or acquired characters. Evolutionist ideas were also advanced in England by a medical man and author of Derby, Dr. Erasmus Darwin, correspondent and admirer of Jean Jacques Rousseau, chief philosopher of the French revolutionary era. Ideas of evolution began to float about, and in 1813, Dr. W. C. Wells aired the subject before the Royal Society in London.

Scientists in the first half of the nineteenth century were by no means all believers in Evolution. The Creationists were in a great majority, and the Evolutionists lacked a plausible theory of how evolution had occurred. This was all altered on the appearance of Charles Darwin's Origin of Species in 1859.

Darwin's theory was that all species had evolved from primal protoplasm by Natural Selection, or survival of the fittest in the struggle for existence. As lambs still continued to appear with tails, despite the fact that their parents had had theirs cut off for generations back, Lamarck's idea of evolution by inheritance of acquired characters had failed to convince. Darwin not only provided a more attractive theory but he elaborated it in a big book. He directed attention to the way breeders of domestic animals and plants got new varieties by selective breeding. He quoted instances of small variations occurring in all directions in living things. He argued that the rate of multiplication of living things produced an intense struggle for existence exterminating those with unfavourable variations and permitting those with favourable variations to nourish and increase.

The idea of evolution as thus propounded met with immediate and astounding success. Not all scientists accepted it by any means, but it caught on and disbelievers were soon shouted down. In his presidential address to the British Association for the Advancement of Science in 1937 Sir Edward Poulton said the records showed that Dr. Wright back in 1881 was the last person to express disbelief in evolution at this British scientists' parliament. The article on evolution in the current (1929) edition of the *Encyclopaedia Britannica* affirms evolution to be an established fact supported by "overwhelming" evidence. In current newspaper and magazine literature evolution is similarly treated as a fact beyond dispute, and in colleges and schools is usually rammed down the pupils' throats as incontrovertible truth.

Nevertheless, there is a small, slight hiatus in the argument. There is, unfortunately for evolutionists, not a shred of evidence of any living thing ever evolving into some different kind of living thing capable of breeding but infertile with its parent stock. All that breeding experiments have produced is mere varieties fertile with their parent stock, or else sterile hybrids, incapable of breeding, such as the mule produced by a cross between horse and donkey. All living things go on obstinately producing young after their own kind and no other kind. Evolution has to show that living things can break through their natural breeding limits. And this is just what evolution has been quite unable to show.

This small defect in an otherwise pleasing theory Darwin glossed over in his books. Nevertheless, Darwin admitted in the introduction to his *Origin of Species* that evolution as a scientific theory "would be unsatisfactory, until it could be shown how the innumerable species inhabiting this world have been modified." Before he got to the end of his 700 pages Darwin ignored this requirement, for, without meeting it, he declared himself in his concluding chapter "thoroughly convinced" of evolution.

Huxley, who from the outset constituted himself the chief propagandist of Darwinism, was more logical. He made no bones about the total absence of any actual proof of evolution. In fact, he greatly annoyed Darwin by harping on the point, as anyone who cares to peruse the five volumes of Darwin's letters and the two volumes of Huxley's may discover for himself. "My God," wrote Darwin to Huxley in 1862, "is not the case difficult enough without its being, as I must think, falsely made more difficult. I believe it is all my own fault—my own d----- d candour . . ." (More Letters of Charles Darwin, i, 230).

This outburst was in consequence of Huxley having pointed out in his lectures and books that so far it had not been possible by selective breeding to produce a form capable of breeding but infertile with the parent stock. Huxley, in admitting this lack of evidence, said in his Edinburgh lectures in 1861 that if it could be shown that such failure was "the necessary and inevitable result of all experiments" he would hold Mr. Darwin's hypothesis to be "utterly shattered." (Man's Place in Nature, Everyman edition, p. 256). He added, however, that he looked for early proof to be forthcoming. In a letter to Darwin, Huxley said he told his students that he was satisfied that twenty years' scientific breeding experiments with pigeons would provide the necessary proof (Huxley's Life and Letters, i, 195-6).

Although so heatedly rebuking Huxley in 1862, Darwin himself eight months later, privately admitted in a letter to Dr. Bentham the total absence of any proof of evolution. This is what he wrote under date of May 22, 1863 : "In fact belief in Natural Selection must at present be grounded entirely on general considerations. . . . When we descend to details, we can prove that no one species has changed (i.e., we cannot prove that a single species has changed); nor can we prove that the supposed changes are beneficial, which is the groundwork of the theory. Nor can we explain why some species have changed and others have not" (Darwin's Life and Letters, iii, 25).

Darwin died in 1882. Huxley died in 1895. Four years before he died Huxley wrote to Professor Romanes that evolution still stood without the evidence on which he had insisted thirty years before. He had always insisted, he said, on "the logical incompleteness of the theory so long as it was not backed by experimental proof" (Huxley's Life and Letters, ii, 291).

We now pass onwards another thirty years; and we find the noted English evolutionist, Professor Sir William Bateson, acknowledging exactly the same total absence of any proof of evolution. This is what he said to the congress of the American Association for the Advancement of Science in Toronto in 1921 :—

"When students of other sciences ask us what is now currently believed about the origin of species we have no clear answer to give...

The conclusion in which we were brought up, that species are a product of summation of variations, ignored the chief attribute of species, that the product of their crosses is frequently sterile in great or less degree. Huxley very early in the debate pointed out this grave defect in the evidence, but before breeding researches had been made on a large scale no one felt the objection to be serious. Extended work might be trusted to supply the deficiency. It has not done so, and the significance of the negative evidence can no longer be denied" (Nature, Ap. 29, 1922).

Six years later another prominent evolutionist, Professor J. B. S. Haldane, in his book *Possible Worlds* (p. 38) said in 1927 : "The barrier of inter-specific sterility is the most serious argument against Darwin's Organic Evolution." It is equally a barrier against any other kind of organic evolution.

In 1931 we find the great Professor H. F. Osborn, of the United States, described by Britain's Royal Society as the greatest palaeontologist of the day, making the following remarkable statement to a congress of the British Association :—

"We are more at a loss than ever to understand the causes of evolution. One after another the Buffonian, Lamarckian, Darwinian, Weissmannian, and De Vriesian theories of causation have collapsed ... All that we can say at present is that Nature does not waste time or effort with chance or fortuity or experiment, but that she proceeds directly and creatively to her marvellous adaptative ends of biomechanism" (Nature, September 28, 1931).

This is an admission by one of the high priests of science that all theories of evolution have collapsed. Buffon propounded a general theory of evolution; Lamarck, tutor to Buffon's children, followed with an idea of evolution by inheritance of acquired characters; Darwin advanced the idea of gradual small changes by natural selection; Weissman put all the emphasis on the germ plasm; and De Vries-put forward the idea of evolution by mutations or sudden large variations.

Two years later on again Professor James Ritchie, the great zoologist of Edinburgh University, wrote in *Nature* of September 30, 1933 : "The problem of the origin of species seems to be as far from solution as ever." In September, 1939, Professor Ritchie delivered the presidential address to the zoological section of the British Association and had nothing further to report. "The existence of life," he said, "must be considered as an elementary fact which cannot be explained," and, admitting life, the biologist "may build up a whole body of biological theory . . . logical in the logic of probability . . ." (Nature, September 23, 1939). Everything was down to mere shadowy "probability."

The above series of pronouncements by front-rank biologists covers the entire period of eighty years since the first proclaiming of the Darwinian gospel. There is no more vestige of proof of evolution today than there was in those early days when Darwin privately, and Huxley openly, admitted its total absence.

Claims are made from time to time of the production by experiment of new species of living things, but they rapidly drop out of sight and the above series of statements at scientific headquarters is sufficient evidence that no such claim has survived examination. This evidence is vital to the evolution theory, and if it were forthcoming we may be quite sure it would be proclaimed from the house-tops for all the world to hear.

If this evidence is lacking it is not for want of seeking it. For example, a whole literature, so extensive that a bibliography of it was recently published, has grown up about the breeding experiments with the pumice fly *Drosophila melanogaster*. Mr. Douglas Dewar, a Fellow of the Zoological Society and one of the few British biologists rejecting evolution, in his *Challenge to Evolutionists* (pp. 20-21) relates how in 1910 Morgan and his collaborators hit upon the idea of experimenting with this quick-breeding fly.

This obliging little creature produces 25 generations a year at ordinary temperatures and more at higher temperatures. Over 800 generations of it have been bred with the object of transforming into something that is not a *Drosophila melanogaster*. It would take 20,000 years to get as many generations of human beings. Every device has been applied to this fly to make it vary its breeding. In 1927 it was discovered that by exposing it to X-rays the rate at which mutations, or marked variations, occurred could be increased by 15,000 per cent.

These breeding experiments are stated to have resulted in the production of some 400 varieties of this fly, some of them monstrosities, and some differing more from the parent form than the other wild species of *Drosophila* differ from one another. Nevertheless, all these varieties (unless they are too imperfect to breed at all) are stated to breed freely with the parent stock, whereas the different wild species of *Drosophila* on the rare occasions when they can be induced to cross, either yield no offspring at all or sterile hybrids. Immutability of species, like a mysterious angel with flaming sword, stands barring the way to the evolutionist Garden of Eden.

Summed up, the position is that there is no evidence of any interbreeding community of living things being able to change its breeding and become transformed into some different kind of thing infertile with the original stock. Evolution asserts that all species came into being in this way. And evolution is wholly unable to provide any vestige of proof of its assertion. Belief in evolution today must thus rest on "general considerations," just as Darwin privately confessed was the case away back in 1863. In our next three chapters we

shall discover how these general considerations—the cloud capp'd towers and gorgeous palaces of evolution—melt away like the baseless fabric of a vision when peered at too curiously.

Chapter III

EVOLUTION'S CASE TODAY

THE first thing noticeable about modern presentations of the case for evolution is the widely different ideas held by various evolutionists as to what constitutes proof of a proposition. If we make our starting point the article on evolution in the current (1929) edition of Britain's standard reference book the Encyclopaedia Britannica, we read that evolution is supported by "overwhelming" evidence. If we turn to certain of the recent presidential addresses to the biological sections of the British Association, we shall find scientists there affirming on exactly the same evidence that evolution is not a proved fact but purely a matter of faith.

We live in an age of propaganda circulated throughout the world from obscure sources for obscure ends. Perusal of some articles in the successive post-war editions of the Encyclopaedia Britannica shows in various cases a haphazard reversal of view between one edition and the next, and in particular a change from a factual to a propagandist view of evolution in the three brief years between the thirteenth edition of this work of reference in 1926 and the fourteenth in 1929.

In the 1929 edition two eminent biologists combine to write the general article on evolution. There is a brief, very positive and very dogmatic introduction by the biological editor of the edition, Professor Julian Huxley, then professor of physiology at the Royal Institution; but when it comes down to cold hard facts a great part of the positive-ness fades away in the main part of the article written by Professor E. S. Goodrich, professor of zoology and comparative anatomy at Oxford University.

Both these ardent evolutionists make weak starts. The first item is an announcement by Professor Huxley that "among competent biologists and geologists there is not a single one who is not convinced that evolution has occurred and is occurring," and Professor Goodrich on taking up the running immediately asserts that "it is now universally held by all competent biologists" that evolution is a fact.

These statements are weak for two reasons. In the first place they suffer from the defect of being untrue. There are some fully competent biologists and geologists who have publicly rejected the entire

theory of evolution as baseless. A list of them will be found on pp. 102-105. In the second place, the statements are weak because the truth of a scientific proposition is not to be established by counting noses. Professor Julian Huxley's own eminent grandfather expressed himself very freely on this, matter of nose-counting. "Government by average opinion," he wrote, "is merely a circuitous method of going to the devil. Those who profess to lead but in fact slavishly follow this average opinion, are simply the fastest runners and loudest speakers in the herd which is rushing blindly to its destruction" (Huxley's Life, ii, 125).

When theologians state that most people believe in the existence of God Almighty, evolutionists like Professor Julian Huxley tell us this is merely evidence of the prevalence of superstition and credulity. On the other hand, credulity in scientific circles apparently turns fancy into fact. Besides being unreliable in their nose-counting, these two eminent encyclopaedists are illogical in their deductions from it.

However, it appears that there is secondary support for evolution beyond the mass of scientific noses upholding the theory. Professor Huxley assures us in the encyclopaedia that "by now the evidence is overwhelming." The evidence is as follows :—

- (1) Fossils, which are stated to provide "complete proof,"
- (2) Vestigial organs, that is to say, useless parts remaining from ancestral forms of being;
- (3) Embryology, showing the embryo developing through ancestral forms of the species.

In addition, the general plan of plants and animals is said to bear witness to a common descent. Their geographical distribution is described as easy to explain on evolutionist lines, but difficult otherwise. Also, evolution is held to have "pragmatic value" in explaining things.

The foregoing are simply the "general considerations" which Darwin, as we have seen, referred to in 1863 in privately admitting the absence of any rag of proof that any living thing could change into any other kind of living thing infertile with the parent stock. Professor Julian Huxley passes over this total absence of real proof of evolution without notice.

The decline of the *Encyclopaedia Britannica* from a factual to a propagandist work of reference is evidenced by referring to the article on embryology appearing in the thirteenth edition three short years before Professor Julian Huxley was holding forth in the 1929 edition. This thirteenth edition article was written by Professor Adam Sedgwick, professor of zoology at the Imperial College of Science and Technology. Professor Sedgwick dismisses as baseless the idea that fossils, embryology, and vestigial organs provide any "proof" at all of evolution. In discussing the Darwinian theory as elaborated by

Haeckel that the embryo in developing recapitulates the ancestral history of the species, Professor Sedgwick says of this class of "evidence":

"When we come to look for the facts upon which it is based, we find that they are non-existent, for the ancestors of all living animals are dead, and we have no means of knowing what they were like. It is true there are fossil remains of animals which have lived, but these are so imperfect as to be practically useless for present requirements. Moreover, if they were perfectly preserved, there would be no evidence to show that they are the ancestors of animals now living. They might have been animals which have become extinct and left no descendants.

"Thus the explanation ordinarily given of the embryonic structures referred to is purely a deduction from the evolution theory. Indeed, it is even less than this, for all that can be said is something of this kind : if the evolution theory is true, then it is conceivable. (Note : not 'it is certain,' or even 'it is probable') that the reason why the embryo of a bird passes through a stage in which its pharynx bears some resemblance to that of a fish is that a remote ancestor of the bird possessed a pharynx with lateral apertures, such as are at present found in fishes." Professor Sedgwick remarks incidentally that although fishes have teeth, no teeth are to be found in bird embryos.

In Professor Sedgwick's view what Professor Julian Huxley calls "overwhelming" evidence is no evidence at all. The evolutionist can find a succession of fossil remains of different types of animals in different geological strata : but that present animals are the descendants of extinct ones is pure assumption. The whole evolutionist case is made up of one assumption placed on top of another assumption. All is guesswork from start to finish.

Before going on to the main evolutionist line of "complete proof" in the fossils, the minor counts are worth looking over. With respect to the common plan of plants and animals, this amounts to little. All plants and animals have to live in a common environment of land, air, and water, and a common plan is just as much to be expected on Creationist as on Evolutionist belief. As to geographical distribution, Darwin wrote to Hooker that to get his species about the world, he was always ready to raise up "former immense tracts of land in oceans if any case required it in eminent degree," adding : "... at present I much prefer land in Antarctic regions . . . you have thus to invent much less land, and that more central ..." {More Letters, i, 115). If Darwin could do this, the Almighty should be able to manage it also. As to evolution's pragmatic value in explaining things, one finds an evolutionist author, Mr. A. Beebe, quoted as writing quite seriously in his book *The Bird* : "The idea of miraculous change which is supposed to be an exclusive prerogative of fairy tales is a common phenomenon of evolution." Does "pragmatic value"

simply mean that in scientific circles an untrue explanation is considered better than no explanation ?

Professor Goodrich, in coming down to the details in the fourteenth edition of the encyclopaedia, speedily loses the easy positive touch of Professor Huxley in opening the evolution article. Professor Goodrich begins by dispensing with the services of the Almighty altogether in his evolutionist Garden of Eden. Everything came from protoplasm, and "there must have been a time" when protoplasm first appeared. It "must be supposed" that inorganic substances started forming compounds, and that some of these kept on reforming themselves, and "once they started on this trick" they "would inevitably tend" to perpetuate themselves. These things "probably occurred" in the sea.

The actual fact of the matter is that neither Professor E. S. Goodrich, F.R.S., nor any other scientist, can produce for examination any inorganic substances which keep on forming compounds indefinitely and turning into living organisms. All the many attempts of scientists to produce living matter from non-living matter has been a dead flat failure. What Professor Goodrich talks of is no more producible than are Hans Andersen's witch with the tinder-box and dog with eyes as big as mill-wheels. The main difference is that Hans Andersen's flights of fancy are easier reading than professorial jargon.

Vestigial organs in animals and plants are stated by Professor Goodrich to be "numberless." The human vermiform appendix and the splint bones in horses' legs are two much-quoted vestigial organs. However, the professor proceeds in the encyclopaedia with the following remarkable statements about such organs : "Unless they have been adapted to fulfil some new function, they are apt to diminish and disappear ... It is doubtful whether any useless parts are ever preserved for long unless they are insignificant, and many of the so-called vestigial organs are now known to fulfil important functions."

According to Darwin, evolution is proved (or nearly so) by the presence of organs "bearing the plain stamp of inutility" and "imperfect and useless." On the theory of creation, he argued, the presence of useless organs was inexplicable. On the theory of evolution, they were explainable as atrophied survivals from past forms of being. When Professor Goodrich talks of many vestigial organs fulfilling useful functions he at once knocks completely to pieces any claims such organs have as evidence of evolution. Grant them any use and they wholly cease to be vestigial organs in the Darwinian sense of useless survivals. The modern evolutionist tries to eat his cake and have it.

Mr. Douglas Dewar, F.Z.S., an anti-evolutionist, discusses these vestigial organs at length in his *Difficulties of the Evolution Theory and More Difficulties of the Evolution Theory*. He points out that the

number of supposedly useless organs decreases as biological knowledge increases, and he suggests that those which remain may represent no more than the measure of our ignorance. If biologists had not been so busy hunting for useless organs to prove evolution, the use of many might have been discovered already.

Evolutionists describe the splint bones in horses as vestigial remains of extra toes. Mr. Dewar in his *More Difficulties* (p. 54) quotes Hayes, an authority on the horse, as stating that these bones (1) strengthen the leg, (2) serve as an attachment for certain muscles, and (3) in conjunction with the canon bone form a groove in which lies the upper part of the suspensory ligament supporting the fetlock and counteracting the effects of weight. How much is left of their vestigial uselessness?

Since King Edward VII had his coronation postponed for a year in order to have his vermiform appendix removed, vast numbers of lesser persons have discovered that they can part with this portion of their anatomy without immediately fatal results. Mr. Dewar, in his *Man, a Special Creation*, notes Dr. Le Gros Clark, professor of anatomy at St. Thomas's Hospital, London, saying in 1934 in his book *Early Forerunners of Man* (p. 205) : "The significance of the vermiform appendix is still quite obscure, but in view of its rich blood supply it is almost certainly correct to regard it as a specialised and not a degenerate organ."

Mr. Dewar remarks that while Darwin wrote in a general way about nascent organs, no evolutionist has been able to point in either extinct or existing forms of life to any nascent organ in course of development; yet if evolution is a fact all organs must have had rudimentary beginnings. The complete absence of nascent organs is usually passed over in silence in evolutionist literature. Enough hurdles have to be jumped without looking for more.

Embryology is affirmed by Professor Goodrich in the encyclopaedia to afford "strong evidence" of evolution; but he admits that Haeckel's law of recapitulation is "a gross exaggeration." In the 1929 encyclopaedia article on embryology by Professor D. M. S. Watson, professor of zoology at London University, we learn that research to confirm Haeckel "can scarcely be said to have succeeded in its original aim."

In 1938 there was published at Oxford a book of essays entitled *Evolution*, and written by colleagues and former students of Professor Goodrich in commemoration of his seventieth birthday. The editor was Mr. G. R. De Beer, senior demonstrator in zoology and lecturer in embryology at Oxford. Here is all that Mr. De Beer will allow for embryology as "proof" of evolution :

"... Very soon, in their enthusiasm for the great new revelation

(evolution), biological students were making embryological facts subservient to their evolutionary theories. . . Thus arose the famous theory of recapitulation ... as is so often the case with half-truths, this theory enjoyed wide acceptance . . . Nevertheless, it must be realised that the theory contained a fallacy which for two reasons impeded the progress of biological work and thought ... In many cases it can be proved that the developmental history cannot represent the phylogenetic (species) history" (pp. 57-58).

This is open admission by an ardent evolutionist of one of the chief counts brought by anti-evolutionists. They complain, and on good grounds, that the theory of evolution has led to continuous and wholesale distortion of observed fact in order to make it fit in with evolutionist preconceptions. To such an extent has this proceeded that in modern scientific literature, especially the popular variety, it is impossible to distinguish between what has been observed and what is speculative embellishment. Fact and fairy-tale are muddled up indiscriminately.

According to Mr. De Beer, the most that can be said for embryo-logical evidence of evolution is that "the structure of the adult ancestral form may sometimes be inferred (his italics) from that of the developmental stages of its descendants " (p.61). In other cases "little or no information" may be gleaned. On top of this, as Professor Sedgwick points out, nobody knows what the ancestral forms of any animal were, and what little remains of embryological "proof" of evolution thus subsides into moonshine.

Darwin wrote in the *Origin of Species* of gill-slits and a tail in the human embryo as evidence of fish and animal ancestry. Mr. Dewar and other evolutionist and anti-evolutionist writers point out that there are no slits at all, but simply depressions. These have nothing to do with breathing arrangements but develop into tissues connected with the ear, lower lip, tongue, cheek, and various other things. As for the embryonic tail, this bends inwards and forms the attachment for various muscles and also gives additional support to man's internal organs necessitated by his upright posture. Mr. Dewar remarks in his *More Difficulties* (p. 36) that in the human embryo a length of intestine also projects from the body for a period, but so far evolution has not claimed this as evidence of anything. All the indications, he states, are that the embryo wastes no time in meandering about repeating ancestral history, but develops in the most direct and expeditious manner possible in the circumstances.

Enough has been quoted in admissions from evolutionist sources to show that the miscellaneous exhibits in the shop window come down to very little indeed. None of the items provides any proof of anything, and the most that can be said of any is that it provides a basis for speculation. We now turn to the last remaining line of evidence, the fossils.

Chapter IV

FOOTPRINTS ON THE SANDS OF TIME

IT has been said that a man studying the fossilised remains of plants and animals can take away from them any theory he brings with him at the outset. In other words, the fossils themselves are one thing, and the inferences drawn from them are another matter altogether. In dealing with this part of evolution's evidence, it is thus advisable to bear in mind just what the rocks show. To begin with, the geologists divide the succession of strata in which fossils are found into three great ages :

(1) The Palaeozoic Era (Ancient Life), the age of shells, corals, crabs, lobsters, and later the fishes; on land, scorpions and insects appear, and at the end of the period the earliest reptiles. Seaweeds are the earliest plants, followed by mosses and ferns on land, some growing to giant size in the swamp forests of the world's coal-bearing rocks of this era.

(2) The Mesozoic Era (MiddleLife), the age notably of giant reptiles, in which the birds later appear, all this life reproducing by spawn or eggs; the first mammals, producing their young alive, also appear; seed-plants and trees are also found.

(3) The Cainozoic Era (Newer Life), the age of mammals and of flowering plants.

These eras, also known as Primary, Secondary and Tertiary, are sub-divided into fifteen periods, the earliest period of the Palaeozoic era being known as the Cambrian. Each of the three geological ages is separated from the next by a marked physical break, with upheavals or outbreaks of volcanic activity.

The evolutionist contention is that the later forms of life seen in the rocks are the descendants of the earlier forms. The evolutionist infers this. The fossils themselves show no more than the order of succession in which the different types of plants and animals appeared. Transitional forms which must have existed if evolution is a fact, and for which names were allotted in advance after evolution became fashionable—pro-this and pro-that—have failed to appear, although the whole earth has been ransacked for them during the past eighty years.

The anti-evolutionists contend that the fossils do not in the least support the idea of evolution of species from a common stock. Even an evolutionist like Professor Max Westenhofer writes in 1937 in his *Research and Progress* (iii, 92) : "All the larger groups of animals, e.g., fishes, amphibians, reptiles, mammals seem to have appeared suddenly on the earth, spreading themselves, so to speak, in an explosive manner in their various shapes and forms. Nowhere is one able to observe or prove the transition of one species into another, variation only being possible within the species themselves" (as quoted in Dewar's *More Difficulties*, p. 94).

Dr. W. Bell Dawson, F.R.C.S., a Laureate of the French Academy of Sciences, and a well-known Canadian geologist, says of the fossils : "This sequence is evidently the same as in Genesis; for in both, the creatures that swarm in the sea come first, and the land animals last. When each type of creature comes into being, it continues to the present day; as, for example, the sea shells, the crabs, and the reptiles; but in each type there is a magnificence in the past from which it has now deteriorated. Many ancient species are identical with forms still living; and many organs of their bodies, such as the claw of the lobster or the multiple eye of the crab, are precisely the same as in the earliest ages without any sign of improvement. Whole categories of facts such as these, seem to be lost sight of by those whose vision is obscured by evolutionary theories; for they run counter to any conception of evolution" (*The Bible Confirmed by Science*, pp. 73-74).

Another geologist, Joseph Le Conte, says : "The evidence of Geology today is that species seem to come into existence suddenly and in full perfection, remain substantially unchanged during the terms of their existence, and pass away in full perfection. Other species take their place, apparently by substitution, not by transmutation" (as quoted by Dawson, *op. cit.*, p. 75).

Evolution's first hurdle in the fossils is the sudden bursting into view in the Cambrian rocks of a highly developed aquatic fauna and flora. Scientists hold that the time required for life to reach the stage there exhibited was greater than for all the subsequent development. Yet they are unable to find evidence of this first half of evolution. In the earlier Pre-Cambrian rocks there is nothing save a few vague markings claimed by their discoverers as fossils, but everyone of which is disputed.

Mr. Dewar, in *More Difficulties of the Evolution Theory* (p. 114) states that, except for Walcott's supposed *Beltina* in North America and David and Tillyard's supposed *Eurypterid* in Australia (both of them kinds of sea-scorpions), the rest of the few alleged pre-Cambrian fossils are either supposed secretions, or marks made by animals or plants, or organisms that fit into no known group of animals or plants.

The president of the American Palaeontological Society said in 1935 that Walcott's find could not be accepted until verified by further discoveries; and Britain's leading scientific journal *Nature* of December 12, 1936, described the Australian find as "unconvincing." Even if the whole little handful of these disputed Pre-Cambrian fossils is accepted they still throw no light on the evolution of the mass of life abruptly appearing in the Cambrian rocks.

Evolution supposes that fishes turned into reptiles, and reptiles into birds, elephants, and men and so on. The innumerable transitional forms demanded by the theory cannot be found. At one time much was heard of the fossils, *Archaeopteryx*, a fully feathered bird with teeth, and *Archaeornis*, as links between bird and reptile, but even the Oxford University Evolution book of 1938 dismisses these as "indubitably birds" (p. 322). In Professor J. B. Pettigrew's *Design in Nature* (p. 207), Huxley is quoted as rejecting *Archaeopteryx* as a missing link as far back as 1876.

Mr. B. W. Tucker in this Oxford book devotes an essay to speculating on the kind of creature this "Pro-Avis" missing link may have been. Pycraft, he says, imagined an arboreal parachuting reptile taking flying leaps from tree to tree. Nopsca developed the idea of a two-legged running reptile waving its arms to increase speed. Mr. Tucker himself favoured the notion of an arboreal reptile with legs adapted for springing, a grasshopper kind of creature. Another scientist, Steiner, helped things on with a theory that wings developed by the edges of reptilian scales fraying out to form feathers. This problem in evolutionist "science" seems suitable for reference to the crossword puzzle fraternity. The fact of the matter is that the extinct giant flying reptiles had wings on quite a different plan from bird's wings. And there is no more evidence of how these wings were evolved than there is of the evolution of bird wings.

Putting these imaginings on one side, let us return to the *Encyclopaedia Britannica* for light on what has been actually observed in the rocks. Professor Julian Huxley in the encyclopaedia's evolution article has given us his word that the fossils provide "complete proof," and the reader is referred to the article on palaeontology to view this proof. There we are told that evolution is evidenced by the Ammonite series of fossils, the Zaphrentis coral series, the *Micraster* sea-urchin series, and finally the great horse series. None of these series shows one kind of animal changing into another kind. All that is exhibited is minor modification. In the account of the Ammonites the words "it is claimed" appear throughout. Of the Zaphrentis corals, the encyclopaedia says, "It is difficult to select a single case which can be regarded as conclusively established."

The *Micraster* sea-urchin makes a better effort. Mr. Dewar in his *More Difficulties* (pp. 195-207) deals with him on the same lines as the

encyclopaedia but more fully. It seems that Dr. Rowe, the great Micraster authority, sorted out 2,000 of these fossils according to geological age and traced out a continuing change in eighteen different characteristics. The Micraster changed his mouth in the course of ages from a circular to a crescent shape, he grew a lip, altered the lay-out of his spines, and so on. Yet when all was done he was just as much a Micraster sea-urchin as when he began. And there was nothing to show that the last Micraster of the series was any more than a variety fertile with the first. As nobody disputes the occurrence of variations, there is little here to help evolution.

However, the famed horse series of fossils is evolution's chief exhibit. The horse, according to the evolutionists, starts off about the size of a dog, and with five toes on his hind feet and four toes on his forefeet. He then decides that he has overdone evolution and starts shedding surplus toes until he finishes up with one per foot all round. Multi-toed horse fossils are found both in Europe and America. Some evolutionist horse pedigrees contain solely American fossils, some mix American and European fossils, and a less complete series can be made of European fossils only. Mr. Dewar prints in his *More Difficulties* (p. 144) two pedigrees by well-known palaeontologists, one with seven intermediate forms between Eohippus and the modern horse, and the other with five. The pedigrees have only two of these intermediate forms in common, and the rest of the ancestry is different.

This horse series, like the sea-urchin series, begins with a horse and ends with a horse. It does not exhibit any other kind of animal turning into a horse. There is nothing written on the fossils to say that the one-toed horse is descended from the many-toed horse. He may be, or he may not. According to the evolutionists, the one-toed horse appeared later. The anti-evolutionists say these statements are not above suspicion. They quote instances of rocks being arbitrarily re-dated to a later age because one-toed horses have shown up in the fossils in these rocks. Major Wren's *Evolution—Fact or Fiction?* (p. 86) says it is recorded as a well-authenticated fact that Mr. John T. Reid, a mining engineer, found fossil remains of a one-toed horse in a cretaceous formation in a coal-mine in Utah. If this is correct it makes the modern horse very much older than his supposed ancestors.

Mr. Dewar in his *More Difficulties* (pp. 139-148) thinks it possible that the one-toed horse may have been in existence all through. The present writer has no competence to express any opinion on the matter. All he can say is that there are so many admissions by evolutionists of faked or doctored evidence in different directions that a little more is neither here nor there. Everything is supposition. Evolution is supposed to be survival of the fittest, and the writer in turning over an old file of *Nature* noted Major Leonard Darwin saying in an address at the opening of Down House as a memorial to his famous

father, that no one had been able to fathom what benefit the horse was supposed to have derived by shedding toes.

Two opinions by well-known scientists on the vexed horse question may be of interest. Deperet, the French palaeontologist, says in his *Transformations of the Animal World* (p. 105) : "The supposed pedigree of the horse is a deceitful delusion, which ... in no way enlightens us as to the palaeontological origin of the horse." Professor J. Bell Pettigrew, F.R.S., professor of anatomy at St. Andrews, said in his *Design in Nature* (1908, vol. i, p. 217) : "By no means a strong case has been made out for the descent of the horse from a five-toed extinct mammal. Perhaps even less can be said when the teeth of the horse and its supposed ancestor form the fulcra of the argument." It seems unnecessary to say more on the most-paraded item of evolutionist evidence from the fossils.

Of the other vertebrate fossils, the encyclopaedia says : "The equally complete stories of the camel, dogs, and titanotheres have not yet been published and cannot be intelligibly summarised." It is added that "the rhinoceros series is very complex." It is a reasonable inference that if these fossils provided any great evidence in support of evolution it would long ago have been placed on view.

The foregoing constitute the main items in the "complete proof" which evolutionists claim is to be found in the rocks. The anti-evolutionists do not appear irrational when they confess themselves unable to find any grounds therein for believing that fishes have turned into elephants. Mr. Dewar, in his *More Difficulties* remarks after sixty pages of detailed examination of the various evolutionary fossil series, that even if the claims are accepted at face value, the argument amounts to no more than inferring that a man can run 100,000,000 yards in 11,000,000 seconds because he has been timed to run 100 yards in 11 seconds.

Modern scientific literature enlarges on everything which can be made to support evolution, and passes over in silence all that lends no support to the theory. The public thus seldom has its attention directed to the fact that the earliest of all known plants show little signs of evolution. Yet the following statement made many years ago by Sir J. W. Dawson, F.R.S., F.G.S., in his *Geological History of Plants* still holds good : "The old Cambrian and Silurian seas were tenanted with seaweeds not very dissimilar from those of the present time." Present-day evolutionist chronology dates the Cambrian period to about 600,000,000 years ago, and the Silurian to about 400,000,000 years, and *Homo sapiens* to no more than 25,000 to 40,000 years back. The sea-weeds have had longer time than any other plants in which to transform themselves, and there is no transformation. Why ?

The most numerous by far of all animal things, and, according to evolutionists, older by far than reptiles, birds, and mammals, are the insects. Some entomologists estimate that of all animal

species insect species account for 80 per cent. The lowest estimates show insect species as considerably over half the total of animal species. In total numbers of individuals, insects must be at least four-fifths of the world's animal population. Pick up the average evolutionist book, and you will find very little about this immense principality of the animal kingdom. What have the fossils to reveal of insects? In the Smithsonian Report for 1931 Mr. R. E. Snodgrass, of the Bureau of Entomology of the United States Department of Agriculture, writes (p. 443) : "The oldest known insects of the geological records are so much like modern insects that palaeontology gives little assistance in a study of insect structures. Probably no other group of animals have so effectively covered their evolutionary tracks as have the insects." According to the current timetable, insects first appeared about 350,000,000 years ago, and among the earliest were the silverfishes and cockroaches we have with us virtually unchanged today. Where is the evolution ?

The all-pervasive influence of evolutionist dogma is noticeable in Mr. Snodgrass's statement quoted above. In remarking that palaeontology provides little of no evidence of insect evolution, lip-service is at the same time paid to evolution theory : the insects are said to have "covered their evolutionary tracks." That of which there is no evidence is implicitly assumed. From Mr. Dewar's *More Difficulties* (p. 172) one gathers that scientists endeavour to give an illusion of evolution among insects by assigning different species names to identical insects when appearing in different geological formations.

Darwin and his disciples have never been short of theories to account for the lack of fossil evidence of evolution. Darwin in his *Origin of Species* after significantly heading his first chapter on the subject "The Imperfection of the Geological Record," went on to say that the succession of forms in the rocks was consistent with evolution, and that it would be very wrong to "falsely infer" because the supposed intermediate forms were not there, that they had not existed. "Negative evidence," he affirmed "is worthless." In his introduction Darwin had said there was no scientific advantage in evolutionist belief over creationist belief unless evolution could be established as fact. When he comes to fossils he says what cannot be found must be imagined to have existed.

To account for the total lack of fossils in the Pre-Cambrian rocks Darwin offered the reader a choice of two theories. One was that the continents and oceans had since changed places, and that the missing fossils are now under the sea. This cannot be either proved or disproved until someone finds a way of draining off the oceans and having a look. Alternatively, Darwin suggested that the weight of the later strata might have squashed the supposed Pre-Cambrian fossils out of existence. Mr. Dewar in his *More Difficulties* points out that some

Pre-Cambrian rocks still bear impressions of rain drops and of ripple-marks where water had run over them in the days when they were loose sand. If such things remain, it is odd that all the multitude of supposed fossils should have vanished. Mr. Dewar catalogues five main theories and various sub-theories advanced by later evolutionists to account for the absence of Pre-Cambrian fossils. If one theory is accepted all the rest must be rejected.

Darwin had another theory ready to account for the absence of the intermediate forms between species. He argues that the fossiliferous beds were deposited during periods in which the land was subsiding, and that in between times were long stationary ages when no fossilisation of animal and plant remains took place. In these stationary periods all the evolutionary transformations of species occurred. Evolution is thus a highly private affair, with everything done off-stage altogether from protoplasm to the Cambrian fossils, and with retirement to the dressing rooms for every subsequent transformation.

The stock cry of evolutionists from Darwin's day to the present time has been "the imperfection of the geological record." It is next door to a miracle, they assert, for any living organism at all ever to become fossilised. Well, it so happens that Mr. Dewar, whose valuable work has been so freely quoted herein, and Mr. G. A. Levett-Yeats, both Fellows of the Zoological Society, went to some trouble to compile statistics about fossilisation. Their figures showed that fossilisation was by no means so miraculous as had been supposed.

Taking existing genera of land mammals (that is, all mammals except bats and aquatic ones) these zoologists found that in Europe, where fossil-hunting had been most intense, these mammals had 100 per cent. representation in fossils. North America came next with 90.14 per cent., followed by South America, 72.09 per cent.; Asia, 70.15 per cent.; Africa, 49.65 per cent.; and Australia, 45.83 per cent. The figures thus indicate that if you look hard enough and long enough you have good prospects of finding fossil remains of all existing land mammals. Mr. Dewar holds that "theoretical considerations indicate that the chances are great that some specimens of every genus having hard parts will become fossilised during the period of the existence of that genus."

The interesting and significant part of the story is that a paper embodying the results of these investigations was offered by Messrs. Dewar and Levett-Yeats to the Zoological Society of London, of which they were both fellows. The paper (subsequently accepted by the Victoria Institute, vol. lxiv, 1932), was rejected on the grounds that its results led to no useful conclusions. The result was certainly not "useful" in helping on evolution's argument that what cannot be found must be imagined to have existed. Mr. Dewar further records that on the leading scientific journal *Nature* in 1937 publishing an as-

sertion by a correspondent that fossilisation was "almost a miracle," he wrote a short letter giving statistics, and this letter Nature refused to publish. Such are the methods by which belief in evolution is maintained and propagated in scientific circles in this dark age of ours. The above facts appear in Mr. Dewar's *More Difficulties*, chapter xvi.

The theory, of evolution postulates some enormous transformations in animals. It further requires that every stage in these transformations, shall be beneficial to the animal. There is no question of closing down during reconstruction, or even of putting up with present discomfort for future gain. Darwin laid it down in a letter in 1859 that every stage in the change must in itself be of advantage. The eminent Professor Goodrich is similarly quoted in the *Oxford Evolution book* of 1938 (p. 274), and he adds, "it is often difficult to picture the intermediate conditions."

Mr. Dewar goes slightly further than Professor Goodrich. He says it is not "difficult" but "impossible" to imagine some of the required transformations. In his *Challenge to Evolutionists* (pp. 52-57) he defies anyone to picture the conversion, for example, of a land mammal into a whale—which conversion all evolutionists assert took place. Each stage, remember, must make the animal fitter for existence than it was before. The land mammal, says Mr. Dewar, must first be converted into a seal-like creature; it must give up using its hind legs and drag them about behind it until hind legs and tail eventually grow together. Its pelvis must shrink in size, and the portion of the body behind the pelvis must somehow twist round on the front part so that the sides come uppermost and undermost, and the lateral motion of the seal-like stage is converted into the vertical motion of the whale stage.

The whale, moreover, gives birth to its young in the sea and suckles it under water. The mother has to develop muscles enabling her to force milk into the mouth of the young one. She has also to develop a cap round her nipple into which the snout of the young one fits tightly. The young one also requires to have its windpipe prolonged above its gullet to prevent the milk ejected by the mother from entering its lungs. All these modifications have to be effected before the young ones are born in the water. There can be no intermediate stages, Mr. Dewar points out, between being suckled in the air and suckled under water. Either sudden miraculous change must be imagined, or equally miraculous prophetic evolution with everything fixed up in advance of the event.

Such are the magical requirements of some evolutionist transformations, of the occurrence of which transformations neither the fossils nor anything else yields the slightest evidence. The imagination is required to take leap after leap. It now remains to view the summit of this monument of human credulity, the amazing collection of balderdash asserted to establish mankind's descent from the beasts of the field.

Chapter V

THE MONKEY-MAN FABLE

DARWIN discreetly waited twelve years after 1859 before applying his evolutionary speculations to human ancestry. His first lieutenant, Huxley, wasted no time in beating about the bush. In his scientific addresses, writings, and lectures to working men and others, Huxley forthwith preached the kinship of man and ape. A large section of the public today believes man's descent to be a scientifically established fact. Actually, this portion of the evolution theory has not so much as a feather to fly with.

Some years ago a London jury awarded a certain peer of the realm £30,000 in damages against the proprietor of a newspaper which had wrongfully described him as of Jewish descent. It would be an excellent thing if those of us who resent the evolutionist libel that our ancestors were apes or other animals were to club together and bring into court all the publishing-houses, professors, etc., proclaiming it. Nothing more would ever be heard of evolution if evolutionists were forced to come to light with evidence that a judge and jury would accept. If they failed to prove their words damages on a much higher scale than in the case quoted could very justly be claimed, for the moral harm done by evolutionist lying is immense, and this particular lie is a vile one.

The evidence in the monkey-man case rests on certain fossilised remains. The first of these to appear, consisting of a skull-cap and some fragments, was found in a cave near Dusseldorf shortly before the *Origin of Species* was published. Numerous other skulls of similar type have since been discovered, and are known as Neanderthal man. The earlier skulls were too incomplete to show the position of the aperture by which the spinal cord entered the brain. It was thus impossible to tell whether Neanderthal man stood upright or not. In conformity with their evolutionist imaginings, scientists for a long time assumed that Neanderthal man was a shaggy, crouching, apelike creature. A reconstruction of him on these lines was made by the eminent Professor Boule, director of the Museum of Natural History in Paris. Similar models appeared in other museums, and pictures were freely published. A few scientists protested, but they were ignored. In 1929 some more complete remains were discovered at Rome,

and showed Neanderthal man to have had an erect human posture and the evolutionist assumptions to have been unfounded (Dewar, Man, p. 38). Dr. H. H. Woollard, F.R.S., professor of anatomy in the University of London, in *Science Progress* for July, 1938, describes Neanderthal man as a primitive being, below but nearer to the Australian black than the Australian black is to the modern European.

Rhodesian fossil man is now ranked as of Neanderthal type, and Professor Wood Jones in his *Man's Place among the Mammals* has pointed out how lack of "a little elementary anatomical knowledge" (coupled no doubt with evolutionist dreamings) similarly caused Mr. W. P. Pycraft in a British Museum report in 1928 unwarrantably to turn Rhodesian man into another crouching ape-like being (quoted by Dewar, Man, p. 38).

Today the three chief alleged fossil "missing links" between man and ape are Java man, Piltdown man discovered in England, and Peking man. Apart from these is Heidelberg man represented by nothing but a massive fossil jaw-bone described by most anthropologists as essentially human but with some simian characteristics. It may be noted that Whitaker's *Almanack* for 1931 recorded that the remains of Deeming, a notorious Australian murderer of 1892, had been exhumed and were reported by Sir Colin Mackenzie, director of the Australian Institute of Anthropology, to have remarkable simian characteristics. Heidelberg man may thus have had as much or as little connection with the apes as Deeming had.

Java man, otherwise *Pithecanthropus erectus*, or Trinil man, was discovered by Dr. Eugene Dubois. In 1887 Dr. Dubois, then holding a junior position on the staff of Amsterdam University, surprised his colleagues by refusing promotion, and announcing his intention of going out to Java as a Dutch army doctor in order to hunt for evolution's missing link between man and monkey (vide Prof. Elliot Smith in *Smithsonian Report*, 1931). In 1894 Dr. Dubois duly returned with his alleged monkey-man and became the lion of the scientific world.

These fossil remains, which have ever since been the subject of controversy, consist of a skull-cap of chimpanzee type, with no forehead and beetling brows; two molar teeth; and a diseased thigh-bone of human type and about the size of that of a man 5ft. 7in. high. They were discovered by Dr. Dubois near Trinil in central Java, in a part of the bed of the Bangawan River only uncovered in the driest part of the dry season.

The point at issue is whether any ground exists for assuming these remains to have belonged to one and the same individual. The owner of the skull-cap obviously had a head very like that of a chimpanzee, but of exceptional size, for the largest existing ape has a cranial capacity of about 625 c.c., and the scientists figure it out that

the Java skull-top indicates a cranial capacity of about 900 c.c. Here it may be noted that an Australian aboriginal had a 1,250 c.c. brain-case, and a modern European averages around 1,400 c.c.

Whoever owned the Java thigh-bone very obviously stood upright, which no ape does. As for the two teeth, they are generally described as ape-like but unusual. Combine the fragments, and the result is a creature standing erect, with chimpanzee brows and no forehead, a human thigh, and with face, feet, body and arms left to be sketched in according to fancy.

Dr. Dubois' great discovery began with the finding of a tooth in the riverbed in September, 1891. A month later he discovered the skull-cap a yard away. Continuing his explorations of the same locality in September, 1892, he found the thigh-bone 50 feet away from where the skull-cap had been; and also the second tooth, 13 feet away from the thigh-bone and in the direction of the skull-cap. The skull-cap was water-worn and eroded. The teeth and the thigh-bone had their contours clear and sharp, and apparently had not moved since their original deposit.

Dr. Dubois attributed the erosion of the skull-cap to seepage from a cliff on the river-bank. In the report of the Smithsonian Institution of the U.S.A. for 1898 appears the text of an address delivered by Dr. Dubois to the Berlin Anthropological Society in 1896; and in the Smithsonian Report for 1913 is a very full paper on all the remains of fossilised man known to that date, compiled by Dr. A. Hrdlicka, curator of the Division of Anthropology of the U.S. National Museum, after a special mission to Europe to examine them for the Smithsonian Institution. From the plans, illustrations, and letterpress in these reports, it appears that the eroded Java skull-cap was up-stream from the uneroded teeth and thigh-bone. But no doubt water would run uphill to help on evolution.

In his Berlin address on his discoveries, Dr. Dubois stated that "associated with these bones" he had found fossil remains of *Stegodon* (an extinct elephant) and of a small deer, and "further away" remains of buffalo, antelope, ox, pig, rhinoceros, and hyaena. Sir Arthur Keith in his *Antiquity of Man* says that altogether Dr. Dubois removed from this spot in the bed of the Bangawan River between 1891 and 1894 fossils of twenty-seven different kinds of mammals. A German expedition under Madame Selenka also spent two years from 1906 making much more extensive explorations in the same spot and unearthed an immense quantity of miscellaneous fossils, but got no traces of monkey-men.

It thus appears that the scanty fragments constituting Java man were sorted out by their discoverer from a pretty complete Noah's Ark bone-heap. This discoverer, moreover, is stated to have sacrificed

a superior position in Amsterdam for an inferior position in Java for the express purpose of hunting for the monkey-man missing link predicted by evolution. Most of us in such case would be prone to view in the most hopeful light whatever oddments our digging in tropical riverbeds might produce. We would have our monkey-man or perish in the attempt.

Dr. Dubois told the Berlin savants in 1896 that "in other situations of the same stratum" he had found fossil remains of a gigantic scaly ant-eater and of hippopotamus. He did not tell them that in these "other situations" there had been discovered in 1889 at Wadjak about fifty miles from Trinil, a fossil human skull of Australian black type, and that he himself in 1890 had there unearthed a second fossil skull of the same type. These interesting facts Dr. Dubois strangely withheld from publication until 1920, fully thirty years on. According to *Nature* for January 6, 1921, he then casually disclosed them following on discussion of a find of fossil man at Talgai, Queensland. Possibly Dr. Dubois had good reasons for keeping quiet for so long. At the same time it requires no great powers of penetration to perceive that the cause of evolution might not have been helped by revealing true man as in existence along with his supposed monkey-man ancestor. As Sir Arthur Keith remarks, to have put all the articles on the table simultaneously would have provided the learned with more than they could digest—perhaps with more even than they could swallow.

Java man—still evolution's chief mainstay—appears throughout his career to have been shrouded from the gaze of profane eyes. One finds Dr. Hrdlicka writing thus in the Report of the Smithsonian Institution for 1913 : "All that has thus far been furnished to the scientific world is a cast of the skull-cap, the commercial replicas of which yield different measurements from those reported taken of the original, and several not thoroughly satisfactory illustrations: no reproductions can be had of the femur and the teeth, and not only the study, but even a view of the originals, which are still in the possession of their discoverer, are denied to scientific men." Dr. Hrdlicka, official emissary of the great Smithsonian Institution, presided over by the President and Chief Justice of the United States, was refused permission even to inspect the originals. He described the position as "anomalous."

Since 1936 two incomplete skulls and some skull fragments, similar to the Java man skull-cap, have been discovered at Sangiran in Java by Dr. G. H. R. von Koenigswald, as recorded in *Nature* of December 2, 1939. The most complete of these gives a cranial capacity of 835 c.c, according to its discoverer, as against the 900 c.c. estimated for the Dubois Java man. No human-like thigh-bones or other skeletal parts had been discovered up to the last report seen by the present writer.

There has never been the least agreement among scientific men that Dr. Dubois was justified in assuming his skull-cap and thighbone to belong to the same individual. In his Berlin paper of 1896 Dr. Dubois tabulated the opinions of about a score of leading scientific men on the remains, showing the utmost variance. Finally, to cap all, Dr. Dubois himself in 1938 announced that after prolonged study of anthropological textbooks, of the *Pithecanthropus* bones, and "of other material from the same provenance in his possession, for the most part not previously published," he was of opinion that "we are here concerned with a gigantic gibbon."

In making this announcement in its issue of February 26, 1938, *Nature* flatly refused to yield up Java man as evolution's prize exhibit. Dr. Dubois' new conclusions about his fossils, it said, had been received "with respect, but not with general acceptance; and in the light of the new evidence must be regarded as definitely disproved." This leading scientific journal then asserted: "*Pithecanthropus* now stands within the line of human descent, if only as a pre-hominoid."

It thus appears that the editor of *Nature* is a better authority on Java man than its discoverer. Nevertheless, whatever *Pithecanthropus* may have been, it is quite impossible for him to have been ancestral to man, as we shall see later. *Nature's* dogmatic statements, moreover, are extremely rash in view of Dr. Dubois' announcement that even after half a century he still has some cards up his sleeve in unpubli-cised Trinil fossils. Java man would probably never have been heard of, had Dr. Dubois in 1894 placed his two Wadjak human skulls on the table alongside his Trinil chimpanzee skull-cap and human thighbone. Java man is hardly likely to be abandoned by his discoverer without the very best of reasons.

Piltdown man, otherwise *Eoanthropus*, or Dawn man, is the next item on the monkey-man list. He hails from a fossil-bearing stratum six inches thick, near the bottom of a small gravel pit, four feet deep, used for metalling a by-road on the Sussex Downs, eight miles north of Lewes. Piltdown man consists of nine small fragments of skull-bone, and rather less than half of a chimpanzee-like jaw bone. There was not much of him altogether, and he was discovered in sections over a considerable period of years by Mr. Charles Dawson, solicitor of Lewes, an amateur fossil-hunter. Toward the end the assistance was secured of Dr. (later Sir) A. Smith Woodward, of the British Museum staff and soon afterwards president of the Geological Society.

This jig-saw puzzle was laboriously fitted together—so far as it would fit—to form part of the top and back of a skull. The vacant spaces were filled with plaster of pans, with forehead and facial bones duly modelled in plaster. Finally, the jaw-bone, with its missing three-fifths also completed in plaster, was neatly hung on in front. The resulting monkey-man was then exhibited to a crowded and

sensational meeting of the Geological Society in London on December 18, 1912.

Piltdown man as first presented was announced to have a cranial capacity of 1,070 c.c., which puts him ahead of Java man's 900 c.c., but well below the Australian blacks' 1,250 c.c. He has been several times reconstructed—apparently with still more generous assistance from the plaster-pot—as he is nowadays quoted as measuring 1,300 c.c. in cranial capacity.

The chief of the numerous points at issue in this highly conjectural item of evolutionist evidence is whether the chimpanzee jawbone ever had any real connection with the human skull fragments. It is a debatable point, and there is the utmost diversity of opinion in scientific circles on it. There is reason for doubt, for along with the skull fragments and jaw-bone there were extracted from this six-inch wide fossil-bearing stratum the following things : A tooth of a mastodon, a tooth of a Stegedon (an extinct elephant previously unknown in Western Europe), two teeth of a hippopotamus, two teeth of a beaver, the femur of an elephant shaped up for use as a tool, and finally some flint implements. There would appear to be nothing wildly incredible in a real chimpanzee having contributed part of a jaw-bone to this miscellaneous zoological collection.

Piltdown man got the late Mr. Charles Dawson a monument, and helped Dr. Smith Woodward on to the presidency of the Geological Society in 1914 and a knighthood later on. His claims are by no means universally accepted, for one finds Professor Sir Grafton Elliot Smith stating in 1931 of this evolutionist exhibit: "Even today many Continental anthropologists refuse even to refer to it in treatises on fossil man, or when they do, brush it aside as so doubtful that it is best to ignore it" (*Nature*, June 27, 1931).*

Peking man, the final exhibit of the series, next presents himself to our view. He hails from the floor of a cave in a disused limestone quarry, thirty-five miles southwest of Peking in China. In the Smithsonian Report for 1931 Professor Elliot Smith stated that Dr. Davidson Black, on learning of the discovery of a peculiar fossil tooth somewhere near Peking, went out to China to join the Chinese Geological Survey in the hope of finding a fossil monkey-man. In 1929 Dr. Black made his first discovery of an incomplete skull. A considerable number of skulls have since been found, one or more complete enough to show the nose as broad and flat; and the cranial capacity of the skulls is put at from 1,000 c.c. to 1,100 c.c.

These remains so closely resembled the chimpanzee-like Java skull-cap that there was long argument whether Peking man was sufficiently distinct from Java man to be allotted a scientific name of

* In an article in the *Times* of Nov. 21st 1953 a British Museum correspondent admitted the fraudulency of Piltdown Man. (Editor)

his own. Eventually he was christened *Sinanthropus*, though some scientists affirmed that there was next to nothing to distinguish him from *Pithecanthropus erectus* of Java. In *Nature* of December 2, 1939, it was recorded that seven thigh-bones of Peking man had been discovered, mostly incomplete shafts, and according to the descriptive matter they lacked the human characteristics of the Java thigh-bone. Incidentally, it may be noted that along with Peking man there were also found in the cave floor remains of over fifty types of mammals, as well as fossil frogs, snakes, turtles, and birds. Up to 1930 no less than 1,475 cases of fossil bones were removed from the site (vide Prof. G. B. Barbour at the British Association, *Nature*, September 27, 1930).

Java man got his semi-human attributes by assumption that a human thigh-bone had belonged to a chimpanzee skull-cap. Peking man is Java man over again, but without any human thigh-bone. In view of the condition of uncritical credulity induced in the scientific mind by the evolution theory, the layman must be pardoned for wondering if the position is that Peking man climbs up to semi-human status on Java man's knees—or Java man's thigh-bone, to be precise. If such is the case, one can understand the total havoc which would be wrought in mankind's evolutionary ancestry were Dr. Dubois permitted to fling Java man to the wolves as a mere ape and nothing more. Not only would evolution's No. 1 exhibit vanish, but down with it would crash Peking man also. The sole remaining monkey-man would then be Piltdown man. And when the plaster of paris is removed how much is left of Piltdown man? Nothing but a few fragments of bone which look as if they might all be packed up inside a breakfast cup. It may be that the editor of *Nature* scented this impending tragedy when he so flatly refused to part with Java man on any consideration whatsoever—not for all the Dr. Dubois in the world.

We now come to the final point. No matter just what Java man, Piltdown man, and Peking man may have been, it is quite impossible for them to have been ancestors of man. The reason is that full-fledged man, *Homo sapiens*, was already in existence, cooking his breakfast, making his tools, and going about his daily business when evolution's alleged missing links appeared.

Mr. Dewar, F.Z.S., in his *More Difficulties of the Evolution Theory* (p. 93) points out that fossils of men of modern type have been discovered in deposits "certainly at least as old as, probably older than" those containing Java man, Peking man, etc. He enumerates the Castenedolo, the Olmo, and the Calaveras fossil skulls, the Oldoway and Clichy skeletons, and the Abbeville, the Foxhall, the Kanam and Kanjera fossil jaws. Mr. Dewar is an anti-evolutionist, and anti-evolutionists are beyond the pale in well-conducted scientific circles. We therefore lay his statements aside.

We turn instead to the leading British scientific quarterly review *Science Progress* issued by the highly respectable publishing house of John Murray. In the number for July, 1938, we find there an article on "The Antiquity of Recent Man" by Professor H. H. Woollard, F.R.S., professor of anatomy at University College, London. Needless to say, Professor Woollard is an evolutionist. No anti-evolutionist would for one moment be permitted to occupy the post he holds. However, Professor Woollard is an unusually candid evolutionist.

In his article he reviews the various fossil men. He thinks "there cannot be absolute certainty" that the two bones, plus two teeth, constituting Java man belonged to the same individual. The thighbone is "indubitably human," and the skull-cap "recalls in many ways the form of the acrobatic gibbon." Java man and Peking man form "one type." The Heidelberg jaw is "essentially human," but "the resemblance to the anthropoid jaw is especially close." The Piltdown skull fragments differ only from a modern skull in being unusually thick, and the jaw "resembles most closely that of a chimpanzee and looks incongruous with the skull." In view of later discoveries of fossil man in England, Professor Woollard rejects the jaw as in no way connected with the skull fragments. This leaves Piltdown man just' a plain human being.

As to the age of the various remains, Professor Woollard puts Java man and Peking man as contemporaries in the Lower Pleistocene; Heidelberg man in the Middle Pleistocene; Piltdown man in the Lower Pleistocene, or even earlier; and Neanderthal man in the Upper Pleistocene. As previously stated, Professor Woollard describes Neanderthal man as a more primitive human being than the Australian black, but nearer to him than he is to the modern European.

Professor Woollard remarks that Java man, Peking man, and Neanderthal man form a series rising in cranial capacity, and are regarded by palaeontologists as forming a sequence in the emergence of man from the lower animals. He adds : "The difficulty in feeling content with this view arises because in sharp contrast with these fossil types others have been discovered which are in no way different from modern man, and which are as old, or even older, than those just described." Professor Woollard remarks that, "obviously people living contemporaneously cannot be ancestors to one another."

"The other aspect of the matter, "he continues, "is illustrated by a series of fossils which have been found in various parts of the world, but curiously with quite uncommon frequency in England. A series of very ancient fossils has been found which attest the fact that the modern Englishman, so far as his anatomy goes, extends backwards into the past to a time when in other countries man was distinguishable with difficulty from the ape."

The English skulls referred to by Professor Woollard are the

Swanscombe skull discovered in 1937; the skull discovered in 1925, in excavating for foundations for Lloyds Bank in Leadenhall Street, London; and a third fossil skull found at Bury St. Edmunds. All these he says, date at least to the Early Pleistocene.

Professor Woollard's own evolutionist view is that "man started abruptly, and that in the ancestral stock there was a period of great instability and change, and by mutations many new types were evolved." In other words, you go to bed one night as a chimpanzee (or whatever animal is preferred), and wake up next morning as full-fledged man, with powers of speech, a taste for music, and a faculty for mathematics. Science will swallow anything to dodge away from the idea of God Almighty having had anything to do with man's appearance upon the earth. Needless to say, Professor Woollard adduces no evidence in support of a sudden magical transformation of animals into men.

The degraded condition of much present-day biological science is pretty evident from some of Professor Woollard's candid statements. Consider, for example, the implications of the following :

"If two fossil men are found on the same geological level, and one has a large brain and the other a small brain, invariably it will be shown on a genealogical map that the man with the small brain emerged much earlier from the common stock than one with the big brain. This, of course, is an anatomical inference drawn so because of preconceptions that the evolutionary process must proceed by gradations. It is not founded upon any knowledge got from palaeontological evidence."

And again : "The discovery that recent man has a vast antiquity, in fact greater than any other variety, most anatomists have always tried to get round or minimise by making all hominoid fossils carry pithecoïd features which are absent in present-day man."

These are plain and open admissions by a front-rank evolutionist that evolution is kept going by faked facts and doctored evidence.

We have now gone over the evolutionist "evidence"—if such it can be called—of man's alleged animal descent. Mr. Dewar states no more than plain fact when he says that despite a search extending over the greater part of a century, "it is not possible to point to any fossil and say of it : the species represented by that fossil, while not human, is ancestral to man" (More Difficulties, pp. 93-94).

Having looked over the actual facts in some detail, it is instructive to note the kind of statement to be found in book after book on the shelves of the public libraries in English-speaking countries today. Typical of what is palmed off on an unsuspecting public as established fact, is the following, from *Man, the Slave and Master* by Dr. Mark Graubard, published by Dent and Sons, London, in 1939, after first appearing in the United States :

"The oldest fossils pertaining to man, almost a true missing link, is the ape-man of Java, with a brain intermediate in size between ape and man, yet walking upright like a man, as his skeletal structure indicated beyond a doubt. There is also the Piltdown or dawn-man with large canines-and small forehead and ape-like jaw. And finally we have the Peking man, definitely outside the genus homo, but more advanced than the ape. The oldest distinctly human fossil is probably that found near Heidelberg and called the Heidelberg man . . . The ape-man of Java and the Piltdown and Peking men all existed about a million years ago . . . The Heidelberg man roamed the earth about half a million years ago."

A suburban grocer selling under-weight butter or adulterated foodstuff is hauled before the courts and punished if detected, but it is nobody's business that reckless evolutionist rubbish, without a rag of fact to support it, is ground out wholesale on the printing presses to poison the public mind. To their everlasting honour there are a number of scientists who have refused to countenance the monkey-man fabrication.

Here is what Professor Wassmann says in his *Modern Biology*: "It is nothing short of an outrage upon truth to represent scanty remains, the origin of which is so uncertain as that of *Pithecanthropus*, as absolute proof of the descent of man from beasts in order to deceive the general public." .

Dr. Clark Wissler, Curator-in-Chief of the Anthropological Section of the American Museum of Natural History, said in the *New York American* of April 2, 1918 : "Man, like the horse, or the elephant, just happened anyhow . . . Man came out of a blue sky so far as we have been able to delve back."

Professor W. Branca, of Berlin, says in *Fossil Man*: "Palaeontology tells us nothing on the subject, it knows of no ancestors of man." Professor J. Reinke, of Kiel University, says in his *Monism and its Supporters*: "We are merely having dust thrown in our eyes when we read in a widely circulated book the following words : 'That man is immediately descended from apes, and more remotely from a long line of the lower vertebrates, remains established as an indubitable historic fact, fraught with important consequences.' . . . The only statement, consistent with her dignity, that science can make, is to say she knows nothing about the origin of man."*

Mr. Douglas Dewar says in his *Man, a Special Creation*: "The way in which the public is deluded by complete pictures of man's

*These four statements are quoted from Major E. C. Wren's *Evolution: Fact or Fiction?* p. 68.

supposed ancestors, based on a jaw or a piece of a skull or even a tooth, is scandalous. The public has no idea that these pictures are pure figments of the imagination."

The extent to which evolutionist imaginings can dominate the scientific mind was illustrated by an incident in the United States in 1922, as quoted in Major Wren's *Evolution—Fact or Fiction*. A single molar tooth was found in a Pliocene deposit in Nebraska. The great palaeontologist, Professor H. F. Osborn, then president of the American Museum of Natural History, described it as belonging to an early type of monkey-man which he duly christened *Hesperopithecus*. At this date, Mr. William Jennings Bryan was denouncing evolution, and Professor Osborn made the discovery of *Hesperopithecus* the occasion for the following rebuke to Mr. Bryan: "The earth spoke to Bryan from his own State of Nebraska. The *Hesperopithecus* tooth is like the still small voice, its sound is by no means easy to hear . . . this little tooth speaks volumes of truth"—of man's animal descent.

In England the eminent anthropologist, Professor Sir Grafton Elliot Smith, induced the *Illustrated London News* to publish an article on this ancestor of humanity, illustrated by drawings of *Hesperopithecus* and his spouse—all on the strength of one small tooth. Presently, it was established that the tooth was that of a peccary, a kind of pig, and *Hesperopithecus* disappeared from view. In its 1929 edition the *Encyclopaedia Britannica* felt it necessary to make reference to this lost asset of evolution, but it wrapped up the horrid truth as well as it could by disclosing no more than that the tooth was eventually found to belong to "a being of another order"—which was one way of spelling "pig" in twenty letters.

In 1925 the State of Tennessee passed a law forbidding the teaching of evolution in its schools, and Mr. Bryan, just before his death, successfully appeared as chief anti-evolutionist counsel in a test case at Dayton, which was given wide publicity, with universal newspaper ridiculing of him. The case was promoted and financed on the evolutionist side by the American Civil Liberties Union, and it is not inappropriate to note that six years later a United States Congressional Committee on communist propaganda said of this body, "fully ninety per cent of its efforts are on behalf of communists who have come into conflict with the law" (House of Representatives' Report No. 2290, 1931, p. 56). Allusion is made to this Tennessee case in a passage in Mr. R. C. Macfie's *Theology of Evolution*, published in 1933. He says:

"So long as the question is as open as at present, it is scandalous that children and students should be taught as a proven fact that their ancestors were apes, and should be shown abominable pictures of primitive man as a shaggy ape-like creature with a low forehead, receding chin, bowed back, and bent legs. Such science is a disgrace to

the spirit of science and a crime against humanity, fit only for the yellow press, and the Catholics and Daytonians deserve honour for declining to accept a totally unproven hypothesis."

The gospel of man's animal descent is the crown of the evolution theory, and to it all the rest leads. The evidential standards of modern evolutionist science represent probably the lowest point in intellectual degeneration reached by civilised man in the past two thousand years. All is wildest assumption and limitless credulity, and with no other end in view than to arrive, by hook or by crook, at the most debased view of human origins which the mind of man is capable of conceiving.

Chapter VI

HOW EVOLUTION WAS BORN

A SIGNIFICANT fact about evolution is that the central idea of the Darwinian theory is not based upon anything observed in nature. Darwin states that he opened his first notebook for facts in relation to the origin of the species in July, 1837, at which time he was twenty-eight years old. He had observed affinities between living and extinct species in his work as a naturalist during the voyage of the *Beagle*. He had also noticed how man had produced varieties of domesticated plants and animals by selection in breeding. These observations had led to belief in evolution. "But," he relates, "how selection could be applied to organisms in a state of nature remained for some time a mystery to me" (*Life and Letters*, i, 83).

Illumination came in October, 1838. It came by Darwin reading the famous *Essay on Population* of the Rev. Thomas Malthus, with its gospel of an intense struggle for existence in consequence of living things increasing faster than food supply increased. Darwin's own observation in his work as a professional naturalist had not impressed any such idea on his mind as the outstanding fact in nature. The reader will do well to reflect whether this supposed eternal remorseless struggle for existence is a thing which drives itself into his own consciousness in his wanderings abroad. Does he witness it in his garden, about the countryside, in the wilderness, in the air, in the waters? Is he presented with a view of a world with every cranny bursting to suffocation with life, and with the surplus production dying from starvation or trampled underfoot? Is this evolutionist idea of "Nature red in tooth and claw," with the mangled remains of the unfit strewn in every direction, something real existing for all mankind to see, or is it a dream—a scientific nightmare?

Darwin certainly had no idea of this fierce struggle for existence as a factor in evolution until he read Malthus. Having adopted the idea as the foundation of his theory, he spent the next twenty years collecting facts to support it. This work involved correspondence with naturalists and others in all parts of the world. Among Darwin's correspondents was a young naturalist named Alfred Russell Wallace. In June, 1858, Darwin received from Wallace, then on an expedition to the East Indies, a paper which Wallace said he would like to have

read before a scientific society, and he asked Darwin to arrange this. Darwin looked at the paper, and was prostrated with mortification to find that it set forth exactly his own idea of evolution by natural selection, or survival of the fittest in the struggle for existence.

The question thus arises where Alfred Russell Wallace got his idea of the struggle for existence. How close it was to Darwin's may be gathered from the letter which Darwin in his anguish wrote to his friend Sir Charles Lyell, the eminent geologist : "Your words have come true with a vengeance—that I should be forestalled... if Wallace had read my MS. sketch written out in 1842 he could not have made a better short abstract! Even his terms now stand as heads of my chapters. . . So all my originality, whatever it may amount to, will be smashed. . . " (Life and Letters, ii, 116). Darwin had guarded his great idea very closely, for in a letter to Lyell a week later all he seemed able to think of as proof of his priority over Wallace was that his intimate friend Hooker, the botanist, had seen his earlier sketch, and that more recently he had given Professor Asa Gray in America an extremely vague and guarded outline of his ideas. As history records, this matter of priority was adjusted by Lyell and Hooker arranging for the reading of a paper by Darwin along with Wallace's paper at the Linnxan Society on July 1, 1858. Evolution thus saw the light with Britain's leading geologist and leading botanist standing as sponsors with explanatory remarks.

Wallace had arrived at exactly the same idea as Darwin, and he had reached it in exactly the same way. He had not observed an intense struggle for existence as a fact of nature. All that had happened—as Wallace relates in his autobiography and elsewhere—was that he had chanced to read Malthus on Population, and then sat down and dashed off an essay on evolution by survival of the fittest in the struggle for existence. After publication of the *Origin of Species* it came out that Dr. W. C. Wells had read a paper to the Royal Society in 1813 on evolution by natural selection, and that in 1831 Mr. Patrick Matthew had embodied the idea in the appendix to his book on Naval Timber and Aboriculture. It does not appear where these writers found their inspiration. There would be nothing wildly improbable in it coming from the same source, for Malthus published his book in 1798 and it was soon attracting the widest attention.

We therefore turn to the famous Essay on the Principle of Population as the fountainhead of the mighty river of evolution. At last, surely, we shall find it here related just where in nature the Rev. Thomas Malthus witnessed this remorseless struggle for existence. Again we are doomed to disappointment. Before we finish perusing the first two pages of his first chapter we find Malthus in a footnote referring us to Benjamin Franklin's *Miscellany*, page 9, as the place to learn about the struggle for existence. The present writer has not had access to this last-named book. He is thus unaware whether Ben-

jamin Franklin saw anything for himself, or whether he in turn derived the idea of living things increasing faster than food supply from yet another book. He notes, however, a statement in Buckle's *History of Civilisation* (World's Classics edition, ii, 247) that it was Voltaire who first threw out this foundation idea for so many theories. As Franklin was United States envoy and minister in France in Voltaire's day, and according to his biographers was intimate with Voltaire, it may be that he picked up the notion there. Our search for evolution's origins thus leads back once more to the peculiar brand of philosophy on which the French Revolution was incubated.

Malthus opens his famous book by stating that his object is "to investigate the causes which have hitherto impeded the progress of mankind towards happiness," and in particular "the constant tendency in all animated life to increase beyond the nourishment prepared for it." Malthus then adds :

"It is observed by Dr. Franklin that there is no bound to the prolific nature of plants or animals but what is made of their crowding and interfering with each other's means of subsistence. Were the face of the earth, he says, vacant of other plants, it might be gradually sowed and overspread with one kind only, as for instance with fennel; and were it empty of other inhabitants, it might in a few ages be replenished from one nation only, as for instance with Englishmen. This is incontrovertibly true. . ."

An Australian writer, Mr. O. C. Beale, in his *National Decay* (1910, p. 33) remarked that so far from being incontrovertible truth, the spread of fennel quoted by Malthus was a strange and venturesome untruth. No botanist, he said, would admit the statement as being true for fennel or any other plant. Nor had anybody knowledge that Englishmen could survive through ages all over India or throughout Africa.

Mr. Beale noted, to begin with, that this supposed profound truth of Malthus—in reality the foundation of the most colossal errors of all time—is remarkable for its laxities of expression. "Causes," for instance, cannot impede progress : only impediments impede. Is it so sure that there is a "progress of mankind towards happiness ?" In any case this abstract and intangible phrase is no basis for a proposition of importance. As for "the constant tendency in all animated life to increase beyond the nourishment prepared for it," we may assume that by "prepared" Malthus means "available," as otherwise the preparation would be in default. Mr. Beale remarks that Malthus was asked by someone what he meant by a "tendency" which nowhere had the effect ascribed to it. The question remained unanswered. Where was the evidence that mankind, for instance, had ever pressed upon the planet's limits of production ?

The social philosophy of the Rev. T. Malthus was expressed in its most naked form in a paragraph in his first edition, but which he

discreetly suppressed in later English editions. As translated back by Mr. Beale from the French edition, it reads as follows :

"A man born into a world already occupied, if his family can no longer keep him, or if society cannot utilise his work, has not the least right whatever to claim any share of food, and he is already one too many upon the earth. At the great banquet of Nature there is no cover laid for him. Nature commands him to go and she is not long in putting this order herself into execution."

Malthus, writing at a time when the British Isles had a population of 12 millions as compared with their present 47 millions, urged immediate restriction of population as the way to social betterment. He preached voluntary limitation of families, abolition of outdoor poor relief, and the herding of the poor into workhouses with hard fare and husband and wife separated so as to check breeding. These eminently Christian ideas were adopted in part in the British Poor Law of 1834.

The name of Malthus is most prominently associated with the modern practice of birth restriction. "The infant," said Malthus, "is of comparatively little value to society, as others will undoubtedly supply its place. Its principal value is on account of its being the object of one of the most delightful passions in human nature—parental affection." France was the first country to adopt the Malthusian doctrine of baby restriction, and France has been the first great European nation to go under. In Britain it was preached with immense success by John Stuart Mill, George Jacob Holyoake, Charles Bradlaugh and Annie Besant, and the birthrate of the whole British race has now fallen below the point necessary to maintain population.

From Malthus also was derived in large part the inspiration of David Ricardo's *Principles of Political Economy*, as Ricardo himself admitted therein. The Ricardian doctrine of every man for himself and devil take the hindmost coloured all nineteenth century economic thought: and, via Ricardo, the Malthusian gospel of the struggle for existence was transformed by Marx into the class war of his revolutionary socialism. Malthus thus helped to provide bloodthirsty Bolshevism with its theoretical outfit.

Finally, through Charles Darwin the same Malthusian teaching became the foundation of the theory of organic evolution, itself in turn the sheet anchor of materialism and atheism; and with a large percentage of its adherents attached also to the birth-control and Bolshevik fruits of the same tree.

Such is the enormous fabrication of error built upon one fantastic untruth. No one has ever seen this imagined, continuous intense struggle for existence with all living things pressing to the limits of food supply, and with mass starvation of surplus population. The whole thing is a dream. All animals have to bestir themselves to get their

breakfast it is true : but that is all there is to it. Even the orthodox evolutionists today are unable to discover Darwin's imagined struggle for existence. "It is the doctrine of Malthus applied with manifold force to the whole animal and vegetable kingdoms," said Darwin in his *Origin of Species*. Here is what a modern specialist has to report. The extract is from the Oxford book on *Evolution* of 1933, to which reference has been made in previous chapters. The writer of the essay quoted is Mr. Charles Elton, director of the bureau of animal populations at Oxford University. He says :

"A first impression might be that every niche has long ago been filled with plants and animals dependent on plants, that the habitats are full to bursting point with life. . . This concept fits plant life fairly well, but it is not true of animals. It is obvious to any naturalist that the total quantity of animal life in any place is an extremely small proportion of the quantity of plant life. This general observation has been amply confirmed by all recent studies of the biomass of animal species or animal communities. For example, the bird life on an acre of rich farm land with trees and hedges and grass and crops may be only a few kilograms in weight. The animal life is widespread, it has, so to speak, staked out its numerous claims, but has seldom succeeded in exploiting them to the full. Only in certain inter-tidal communities of the sea do we feel that animals have reached the limits of the space that will hold them. Even here it is, cosmically speaking, a tiny film of life" (pp. 129-130).

"From this situation we may conclude that, on the whole, animal numbers seldom grow to the ultimate limit set by food-supply, and not often (except in some parts of the sea) to the limits of available space. This conclusion is also supported by the general experience of naturalists, that mass starvation of herbivorous animals is a comparatively rare event in nature. . ." (p. 130).

"Fluctuations occur in every group of animals and in every habitat that has been investigated . . . Although the amplitude of fluctuations is often very great, . . . two things that we might expect do not often happen. The first, complete destruction of vegetation by herbivorous animals, has already been mentioned. The second is complete destruction over any wide area of either predators or prey" (p. 131).

Thus this specialist in charge of a bureau set up to investigate the matter of animal numbers can find no sign whatever of the Malthus's imagined universal tendency of all living things to multiply and increase beyond the available food supply. The whole Darwinian theory of evolution, basis of all modern biological science and proclaimed on every hand as established fact, rests on something that never was on land or sea.

"Only in certain inter-tidal communities of the sea," says Mr. Elton, "do we feel that animals have reached the limits of the space

that will hold them." We all know these spaces on certain beaches where at low-water we find a mass of pools and living things. What are the commonest objects meeting the eye in such spots ? The answer is, mussels and seaweed. If there is a struggle for existence, mussels' and seaweed are thus in the very mid-centre and vortex of it. Evolution should here be proceeding at top-speed. What are the actual facts? The eminent Professor J. Ritchie in his presidential address to the zoological section of the British Association in August, 1939, handed down the latest bulletin about mussel evolution. He said: "The edible mussel (*Cardium edule*) has retained its specific characters for two million years or more, its genus in a wide sense lived 160 million years ago in the Trias" (*Nature*, Sept. 23, 1939). In other words, so far from evolving into something else, the mussel, packed up twenty to the dozen on his perch, has not changed a whisker in two million years, and was a perfectly good mussel 160 million years ago. As for seaweed, we have already noted the statement by Sir J.W. Dawson, that the seaweeds of today are "not very dissimilar from those of the Cambrian and Silurian seas—dating back 600 to 400 million years ago, according to the same fashionable evolutionist chronology. Where is the fabled evolution ?

The great evolution theory falls down flat at the very first hurdle, the supposed struggle for existence. This struggle for existence is affirmed to result in Natural Selection. Very well, we get our evolutionist steed up on his feet and start off again. Down he falls once more. "No recognised case of Natural Selection really selecting has been observed," states Professor Vernon Kellogg (*vide* Major Wren's *Evolution*, p. 91). That is to say, all sorts of individual variations occur in organisms, but no instance at all is known of individuals with favourable variations supplanting individuals with unfavourable variations.

Let us persevere once more. Natural Selection, according to evolutionist doctrine, results in survival of the fittest. Once more evolution fails to make the jump. "The non-utility of specific characters is the point on which Natural Selection as a theory of the origin of species is believed to fail," says Professor D. H. Scott (*Extinct Plants*, p. 22), and many other scientists say the same thing. Species are just different in some way from the next nearest species, but no particular usefulness can be discovered in the characteristics distinguishing the one species from the other.

The actual fact of the matter thus appears to be that there is no intense struggle for existence; there is no Natural Selection; and there is no onward and upward evolutionary progress of the more fit re-placing the less fit. Every part of the theory of evolution crumbles away to nothing when examined. These things are the foundations of the whole edifice. In earlier pages we have noted the total absence of evidence that living things can break through their breeding limits.

No such thing has ever been observed, and every attempt to produce it by experiment has failed. Eighty years of fossil-hunting has totally failed to produce the intermediate forms between species which evolution says existed. The imagined embryological evidence of evolution is nowadays rejected by evolutionists as amounting to nothing at all. The vestigial organs, the "plain inutility" of which, to use Darwin's words, showed them to be survivals from past forms of being, are all the time turning out to be useful and not useless : they thus steadily and increasingly vanish as evidence of evolution. From top to bottom there is nothing whatever that will hang together. Evolution is the biggest scientific fraud of all time.

We have noted how Darwin spent twenty-one years collecting matter to support his theory of evolution before he published the *Origin of Species* at the end of 1859. His letters show quite clearly that even at the end, on the very eve of publication, Darwin had not succeeded in convincing himself. On November 23, 1859, he wrote to Lyell, ". . . Often a cold shudder runs through me, and I have asked myself whether I may not have devoted my life to a phantasy" (*Life and Letters*, ii, 229). Two days later he wrote to Huxley. "I had awful misgivings, and thought perhaps I had deluded myself as so many have done" (*ibid*, ii, 232). That was all the actual belief in his theory Darwin was able to muster up with advance copies of his book in the hands of his friends. He saw and knew in his heart that he had produced nothing but a patchwork of incoherent guesses. No man who feels the firm ground of truth beneath his feet writes in such a strain as Darwin wrote in these letters.

Beside his main theory Darwin introduced various subsidiary theories into his books. One such, for instance, that runs through the *Origin of Species* is that continental animals and plants are more highly evolved by stress of competition than are insular ones; and that continental productions introduced into an island will supplant and replace the less improved native productions. This notion got into Darwin's head apparently at the end of 1858, for he then mentions it in a letter to Hooker, saying, "See how all the productions of New Zealand yield to those of Europe. I dare say you will think all this is utter bosh, but I believe it to be solid truth" (*Life and Letters*, ii, 143).

In his *Naturalised Animals and Plants of New Zealand* Mr. G. M. Thomson relates how in the early years of settlement introduced plants and animals flourished exceedingly, water-cress, for example, for a few years growing to 14 feet in length, and then later subsiding to normal size again. Mr. Thomson tells how as an ardent evolutionist he waited to see the introduced vegetation replace and exterminate the New Zealand bush. He states that he waited in vain : "The opinion of all botanists in New Zealand today is that when the direct, or—to a large extent—the indirect influence of man is eliminated, the native

vegetation can always hold its own against the introduced" (pp. 527-8). He says also, "The same probably holds good to some extent with animal life, only the problem is more difficult to follow out."

Darwin's son, Sir Francis Darwin, as editor of his father's *Life and Letters* said of the paternal propensity for theory-building that "it was as though he were charged with a theorising power ready to flow into any channel on the slightest disturbance" (i, 149). Darwin's elder brother Erasmus wrote back after reading his copy of the *Origin*: "The a priori reasoning is so entirely satisfactory to me that if the facts won't fit in, why so much the worse for the facts is my feeling" (ii, 233). Darwin's close friend, Sir Charles Lyell, after reading the *Origin of Species* suggested that in a future edition, "you may here and there insert an actual case to relieve the vast number of abstract propositions" (ii, 206). It is this absence of "actual cases," of course, which is the entire difficulty with evolution. There are no actual cases.

Chapter VII

FROM BOOM TO RACKET

THE Darwinian gospel on its first appearance in 1859 had an immediate and world-wide success. Huxley in a contribution to *Darwin's Life and Letters* (ii, 179) has written wild nonsense about Darwin earning his place, "by sheer native power, in the teeth of a gale of popular prejudice, and uncheered by a sign of favour or appreciation from the official fountains of honour." The fact of the matter is that the *London Times* on December 26, 1859, devoted no less than the almost unprecedented space of three and a half columns to a highly respectful notice of *The Origin of Species*, this review, incidentally, being written by Huxley himself. The chorus of praise was so general as to drown dissentient voices. Immediately after his book appeared Darwin is found writing to Hooker, "My head will be turned. By Jove, I must try and get a bit modest." The first edition was sold out on the day of issue and new editions and reprints appeared in quick succession.

In 1864 the Royal Society awarded Darwin the Copley Medal, and Dr. Hugh Falconer in seconding the award described the *Origin of Species* as having "instantly fixed the attention of mankind throughout the civilised world" (*More Letters*, i, 255). Within six years of publication of his book Darwin was elected an honorary member of the leading learned societies of eight nations. The position twelve years after the *Origin* appeared was thus described in Professor St. George's Mivart's *Genesis of Species* (p. 10) in 1871 : "It would be difficult to name another living labourer in the field of physical science who has excited an interest so widespread, and given rise to so much praise, gathering around him as he has done a chorus of more or less completely acquiescing disciples, themselves masters of science, and each the representative of a crowd of enthusiastic followers." As noted in an earlier chapter, the last scientist to raise his voice against evolution at the congresses of the British Association for the Advancement of Science was Dr. Wright in 1881. By February, 1888, Herbert Spencer, a rival prophet of evolution, was complaining in the *Nineteenth Century* that "the new biological orthodoxy"—that is, the evolutionist—had become as intolerant as the old, and was rigidly shutting its eyes to everything that did not fit in with the Darwinian

idea of natural selection. The booming of evolution remains the most successful scientific stunt on record.

What was the reason for Darwin's success ? For one thing, he applied to science the gospel of Malthus which had already become the foundation of political economy. Ricardo's theory of rent and his "iron law of wages," etc., and J. S. Mill's similarly inspired writings all received valuable philosophical reinforcement and expansion from Darwin's theory of natural selection and survival of the fittest in the struggle for existence, with a supposed onwards and upwards march to illimitable improvement and progress.

These ideas of Darwin's also enabled any successful man to justify himself to himself in riding rough-shod over his weaker competitors. Such notions were far more comforting teaching than anything to be found in the sayings of Jesus Christ. As John Morley gracefully expressed it in reviewing the *Descent of Man* in the *Pall Mall Gazette* in 1871 : "Mr. Darwin's work is one of those rare and capital achievements which effect a grave modification in the highest departments in the realm of opinion" (Darwin's *More Letters*, i, 324). Everyone in these highest departments was shown by Darwin to be there by survival of the fittest. The idea was naturally completely acceptable in these elevated quarters. No doubt this was another instance of what Darwin's *More Letters* (i, 71), calls "his supreme power of seeing and thinking what the rest of the world had overlooked." As Darwinism taught that the Bible was all astray in its statements, it also made a wide appeal to those advanced and enlightened people who had had more than enough of the Ten Commandments. There was thus an enormous public ready to receive the comfortable new gospel, and quite willing to overlook the absence of any facts in support of it.

In some quarters there was resistance to Darwin's doctrine. The scientists of France were about the last to be converted, as is recorded in Darwin's *Life and Letters* (iii, 224). It was not until 1878 that Darwin was elected a corresponding member of the French Institute, and then only on the botanical side. He received 26 votes out of a possible 39. In 1872 an unsuccessful attempt had been made to elect him to the zoological side, but he only got 15 votes out of 48. Nature of August 1, 1872, quoted an eminent member of the Academy as writing in *Les Mondes*:

"What has closed the doors of the Academy to Mr. Darwin is that the science of those of his books which have made his chief title to fame—the *Origin of Species*, and still more so the *Descent of Man* --is not science, but a mass of assertions and absolutely gratuitous hypotheses, often evidently fallacious. This kind of publication and these theories are a bad example, which a body that respects itself cannot encourage."

In Britain and America there were a small number of scientists who refused to accept evolution. Professor Fleeming Jenkin, an engineer, in an article on the Origin in the North British Review in 1867 remarked that Darwin's idea that a species could be modified by a favourable variation occurring in an individual was the same as arguing that the arrival of one ship-wrecked European sailor on an island populated by negroes would result in the population gradually turning white in the course of a century or two (vide Mivart's *Genesis of Species*, p. 58). Fleeming Jenkin said he did not anticipate this little difficulty would embarrass the "true believer" in evolution, for : "He can invent trains of ancestors of whose existence there is no evidence; he can call up continents, floods, and peculiar atmospheres; he can dry up oceans, split islands, and parcel out eternity at will; surely with all these advantages he must be a dull fellow if he cannot scheme out a series of animals and circumstances explaining our assumed difficulty quite naturally." (Darwin's *Life and Letters*, iii, 108).

Darwin in the next edition of the Origin set to work and tidily patched up this rent in his theory. He said there could be no doubt that owing to similar organisms being similarly acted on by external conditions, "the tendency to vary in the same manner has often been so strong that all the individuals of the same species have been similarly modified without the aid of any form of natural selection." Any theory needed could be supplied on demand apparently. An analysis of the various repairs effected in the six editions of the Origin would be instructive.

After reading a well-known work by his fellow evolutionist, Herbert Spencer, Darwin wrote to Hooker in 1866 : "I feel rather mean when I read him; I could hear, and rather enjoy the feeling that he is twice as ingenious and clever as myself, but when I feel he is about a dozen times my superior, even in the master art of wriggling, I feel aggrieved . . ." (*Life and Letters*, iii, 55).

Disbelief in evolution is today regarded as a sign of crankiness and serious mental incapacity. From the five volumes of Darwin's letters one gathers that such disbelief also results in degeneration of character, for those who criticise the great man's views almost invariably appear in these volumes rapidly to develop unpleasant traits in personaility. Sir Richard Owen, the eminent naturalist, commonly suspected of being the author of a severe slating of the Origin in the Edinburgh Review, turns out to be a most unpleasant person, and "mad with envy because my book has been talked about" (*More Letters*, i, 149). The Edinburgh Review article had the audacity to say, "Lasting and fruitful conclusions have, indeed, hitherto been based only on the possession of knowledge; now we are called upon to accept an hypothesis on the plea of want of knowledge. The geological record is so imperfect! " (*ibid*, i, 146).

Professor St. George Mivart, F.R.S., suffered a similar deterioration of character after acquiring a disbelief in various parts of the Darwinian theory, expressed by him in review articles and at length in his book of 1871, the *Genesis of Species*. "He is very unfair," writes Darwin to Lyell. "You never read such strong letters Mivart wrote to me about respect to me, begging that I would call on him, etc., etc. Yet ... he shows the greatest scorn and animosity towards me, and with uncommon cleverness says all that is most disagreeable. He makes me the most arrogant, odious beast that ever lived ... I suppose that accursed religious bigotry is at the bottom of it . . ." (More Letters i, 332).

Mivart in his writings had pointed to various gaps in the Darwinian argument. He remarked, for example, on Darwin's objection to the idea that any special sterility had been imposed on species to prevent inter-mixture. On this point Darwin wrote in the *Origin*: "To grant a species the special power of producing hybrids, and then to stop their further propagation by different degrees of sterility . . . seems a strange arrangement." Mivart's comment in his *Genesis of Species* (p. 125) was: "But this only amounts to saying the author would not have so acted had he been the Creator. 'A strange arrangement' must be admitted anyhow . . . and it is undeniable that the crossing is checked . . . there is a bar to the intermixture of species, but not of breeds." This little defect in his theory, as we have seen, was a standing vexation to Darwin, who objected strongly to Huxley obtruding it to public notice.

Darwin held natural selection to operate on chance variations occurring haphazard, and rejected all ideas of design in nature—at any rate subsequent to the First Cause. Mivart noted Darwin asking, "Can it be reasonably maintained that the Creator intentionally ordered . . . that certain fragments of rock should assume certain shapes, so that the builder might erect his edifice ? " Mivart's comment was possibly displeasing to Darwin. "It is almost incredible," he wrote, "but nevertheless it seems necessary to think that the difficulty thus proposed rests on a sort of notion that amidst the boundless profusion of nature there is too much for God to superintend; that the number of objects is too great for an infinite and omnipresent Being to attend to singly to each and all in their due proportions and needs" (*Genesis of Species*, p. 258). Was this a specimen of Mivart's "accursed religious bigotry" making Darwin appear as he complained, "the most arrogant, odious beast that ever lived" ?

In passing it may be noted that one of Darwin's stock arguments against design in nature was the shape of his nose, which displeased him every time he looked in the mirror. The point recurs in various letters. "Will you honestly tell me (and I shall really be much obliged)" he wrote to Lyell in 1861, "whether you believe the shape of my nose (ehou !) was ordained and guided by an intelligent cause ? " (More

Letters, i, 193). In a letter to Hooker in 1870 Darwin said of the universe, "I can see no evidence of beneficent design, or indeed of design of any kind in the details" (ibid, i, 321).

Professor Adam Sedgwick, the geologist, condemned the Origin of Species emphatically in the Spectator and at the Cambridge Philosophical Society. But the old man was very considerably Darwin's senior, and he was let off by being frozen out of the presence on calling on Darwin some time after his offences. Sedgwick declared quite truly, that the palaeontological record defied the evolutionist at every turn. "I cannot conclude," he wrote in the Spectator, "without expressing my detestation of the theory, because of its unflinching materialism; because it has deserted the inductive track, the only track that leads to physical truth; because it utterly repudiates final causes and thereby indicates a demoralised understanding on the part of its advocates. . . Not that I believe that Darwin is an atheist, though I cannot but regard his materialism as atheistical. . . And I think it intensely mischievous. . . Each series of facts is laced together by a series of assumptions and repetition of the one false assumption. You cannot make a good rope out of a string of air bubbles." (Darwin's Life and Letters, ii, 298).

Louis Agassiz, the American naturalist, in reviewing the Origin, at once put his hand on the weakest spot of all, saying : "Unless Darwin and his followers can succeed in showing that the struggle for life tends to something beyond favouring the existence of some individuals over that of other individuals, they will soon find they have been following a shadow" [Life and Letters, ii, 330]. Neither Darwin nor anybody else has ever been able to show this, but eighty years have passed without the scientists being able to perceive that they are following a shadow. Agassiz apparently over-rated the penetration of the scientific mind. As to the theory generally, Agassiz said : "Until the facts of Nature are shown to have been mistaken by those who have collected them. . . I shall therefore consider the transmutation theory a scientific mistake, untrue in its facts, unscientific in its methods, and mischievous in its tendency" (ibid, ii, 184)—"Have you seen Agassiz's weak metaphysical and theological attack ? " wrote Darwin to Huxley (ii, 330).

The foregoing extracts show that the fundamental defects of the theory of evolution were clearly exposed by competent scientific men at the time of its first appearance. These defects remain today, along with numerous others since disclosed. And yet the public has it rammed down its throat on every hand that evolution is an established scientific fact. In the United States, for instance, when Bryan was campaigning against evolution in 1922, the council of the American Association for the Advancement of Science passed a resolution affirming that evolution was "not a mere guess," and furthermore that "the evidences in favour of the evolution of man are sufficient to convince

every scientist of note in the world" (Nature, March 3, 1922). This latter statement was not true: that is, unless regarded as announcement of intention by a scientific ring to treat as a blackleg and scab any scientist who rejected evolution. There is evidence from various quarters of evolution today being run as a scientific racket.

Take the case of a leading biologist like Professor Sir William Bateson, who at the Toronto congress of the American Association for the Advancement of Science in 1921 admitted the total failure of all experiments directed to breaking through the natural breeding limits of species. The weight of this negative evidence against evolution could no longer be ignored, he said. While admitting this, Sir William Bateson nevertheless concluded in loyal evolutionist style : "Let us then proclaim in unmistakable language that our faith in evolution is unshaken. Every available line of argument converges on to this inevitable conclusion. . .The difficulties which trouble the professional biologist need not trouble the layman. Our doubts are not as to the reality or truth of evolution, but as to the origin of species, a technical, almost a domestic problem. Any day that mystery may be solved" (Nature, April 29, 1922). For his candour in referring in various addresses to the lack of evidence of evolution, Sir William Bateson is stated in his biography written by his son to have suffered at the hands of his scientific brethren a grievous ostracism, amounting to a professional boycott.

Professor G. Macready Price, professor of philosophy and geology at Washington, an anti-evolutionist, is quoted as writing : "When my unorthodox college text-book on geology appeared in 1923 it was pounced upon savagely by the scientific journals—or by all that deigned to notice it at all. I was at that time green enough to think that the editors of these journals would allow me to make some sort of reply to my critics. But I had to learn the sad lesson that my offence had placed me beyond the pale. Finally, some years later, I did manage to get a partial reply to two of my critics in the official journal of the scientific society to which I belonged, but only after I had threatened the editor with the proceedings for libel (vide *Why Be an Ape ?* by a London journalist, Mr. Newman Watts, p. 38).

The way scientists are kicked into line on the subject of evolution was revealed by Mr. Arnold Lunn in his *Flight from Reason* in 1930. He wrote : "The other day I met a Fellow of the Royal Society. 'I am glad you are taking up this issue,' he said, 'because, of course, we professional scientists can do nothing. Our hands are tied. Take my own case for instance. Professor X regards Darwin as a Messiah. He has good jobs in his gift, and no jobs are going excepting to those who worship at the Darwin shrine.' "

Mr. Lunn also quotes the late Professor Thomas Dwight, an eminent anatomist, as saying : "The tyranny of the Zeitgeist in the matter of evolution is overwhelming to a degree of which outsiders

have no idea. Not only does it influence (as I admit it does in my own case) our manners of thinking, but there is an oppression as in the days of the Terror. How very few of the leaders of science dare tell the truth concerning their own state of mind ! "

A palaeontologist who has rejected evolution is Lieut.-Col. L. Merson Davies, a Fellow of the Royal Society of Edinburgh, a Fellow of the Royal Anthropological Society, and a Fellow of the Geological Society. Colonel Davies in a Victoria Institute paper, said in 1926 : "It 'does not pay,' as they say, to oppose evolution nowadays . . . how many have heard of the words of a leading zoologist like Fleischmann, a scientist of European reputation, who flatly denied that evolution could be regarded as scientifically established ? It is significant that no one has ever undertaken the task of directly opposing Fleischmann; but he was thoroughly abused instead, and soon forgotten. When men of science find that open expression of serious doubts upon the subject is treated after this fashion it is natural that they incline to keep them to themselves. Although the great majority of scientific workers do certainly accept belief in evolution, we have no reason to suppose they all do, even if we seldom hear of them openly opposing it" (vide Dewar's *More Difficulties*, pp. 124-5).

Mr. Douglas Dewar, F.Z.S., tells how the press has been nobbled up so that the public never hears the truth about evolution. Mr. Dewar was an evolutionist up to 1931, when he published his first book against the theory. In 1912 he was co-author with Mr. F. Finn of an evolutionist book, *The Making of Species*, which was specially commended by President Theodore Roosevelt. In later life Mr. Dewar whose subject is Indian birds, rejected Darwinism in favour of evolution by sudden mutations. In the end he rejected the entire theory. He writes in his *Man, a Special Creation* (pp. 103-4) :

"Few people realise how important has been the capturing of the press by evolutionists. Today very few periodicals will publish an article or a paper attacking the evolution theory, and this applies both to the lay and the religious press : most of the religious journals are in the hands of modernists who have accepted the theory of man's animal descent . . . Generally speaking the editors of newspapers believe evolution to be an established fact, and in consequence regard anyone who attacks it as an ignoramus or crank . . . Scientific journals, being conducted by evolutionists, usually decline to publish any contribution that casts even a shadow of doubt on the evolution concept. . . Book publishers . . . are unwilling to publish a book, which as it runs counter to current scientific opinion will either be ignored or savagely attacked. Nor are most of them willing to publish at the author's expense a volume attacking evolution for fear they should lose caste. Thus the public is permitted to hear only one side of the case the average man ... is led to believe that evolution is a law of nature as firmly established as is the law of gravity."

As an instance of how Britain's leading scientific journal deals with anti-evolutionists the following facts may be mentioned. The present writer in looking through a file of *Nature* noticed in its issue of November 27, 1937, a half-page review of *Evolution and Its Modern Critics* by Dr. Morley Davies. This book was a rejoinder to Mr. Douglas Dewar's *Difficulties of the Evolution Theory* published in 1931. In 1938 Mr. Dewar replied to Dr. Davies with another book, *More Difficulties of the Evolution Theory*. Inspection of the very full index to *Nature* revealed no review of either of Mr. Dewar's two anti-evolutionist books. Most of *Nature's* review of Dr. Davies' book was occupied with belittlement of Mr. Dewar. Said the reviewer : "In place of a hypothetical discussion, the author takes Mr. Dewar's *Difficulties of the Evolution Theory* in place of a young student's questions." Having thus by inference written Mr. Dewar down to the to the intellectual level of an immature student, *Nature's* reviewer proceeded to give him a kindly lecture on the extreme rarity of fossilisation, suggesting that if Mr. Dewar watched a dog pulling an animal carcass to pieces he might have some elementary ideas on the subject. In point of actual fact, Mr. Dewar and Mr. Levett-Yeats, as we have noted, had five years before contributed a paper to the Victoria Institute giving detailed statistics on this subject of fossilisation. However, the last thing any reputable scientific journal desires today is to allow anything injurious to evolution to creep into its pages.

Testimony as to a similar state of things in the United States was provided by Mr. Paul Shorey in an article in the *Atlantic Monthly* in 1928. "There is no cause," wrote Mr. Shorey, "that is so immune from criticism, that is so sacred a cow, not only in newspaper offices but in the universities of the North (of America), as Evolution with a capital E. An ambitious young professor may safely assail Christianity or the Constitution of the United States, or George Washington, or female chastity, or marriage, or private property. But he must not apologise for Bryan. . . . That would be intolerance, lack of a sense of proportion, failure in open-mindedness, unfaith in progress. It is not done."

In Britain in 1934 an Evolution Protest Movement was formed and presently requested the British Broadcasting Corporation that its president, Sir Ambrose Fleming, F.R.S., might be given an opportunity of stating the case against evolution over the radio. Mr. C. A. Siepmann, the B.B.C. director of talks, refused this, stating in his reply : "It is the policy of the Corporation to allow of reference to evolution in such terms as have the support of the large majority of distinguished scientists in this country." An Evolution Protest Movement leaflet notes that while taking this stand to block an anti-evolution broadcast, the B.B.C. nevertheless defended a communist broadcast on the ground that "there was no greater danger than that

a point of view should be suppressed." Curiously enough, it was only by the invention of the thermionic valve by Sir Ambrose Fleming, whom the B.B.C. refused to allow to speak, that radio broadcasting became possible at all. The incident is significant as just one more instance of evolutionist and communistic influences operating in double harness in influential quarters.

Chapter VIII

ALL ABOARD FOR ATHEISM

EVER since its first proclamation eighty years ago, the theory of organic evolution has been actively at work disintegrating the religious beliefs of those who accept it. Its principal achievement has been to empty the churches by mass manufacture of atheists and materialists. Atheism and materialism very frequently find their political embodiment in communism. It is not correct to say that all evolutionists are atheists, materialists, and communists. They are simply headed that way, that is all. It is correct on the other hand, to say that communists are almost invariably atheists, materialists, and evolutionists. Evolution is essential to materialism and atheism in that it provides a mechanical explanation of the universe without any spiritual principle.

Both Darwin, prophet of evolution, and Huxley, his high priest, had abandoned belief in Christianity at the time they took up with evolution. Darwin records that after his return from the voyage in the *Beagle* in 1836, at which date he was twenty-seven years of age, "I gradually came to disbelieve in Christianity as a divine revelation" (*Life and Letters*, i, 308). Huxley similarly relates that by 1850, at the age of twenty-five, he had "long done with Pentateuchal cosmogony," and desired "some particle of evidence" that animals came into being by creation (*ibid* ii, 187-90). That neither held established religion in especial esteem is evident by their letters. Darwin in 1859, for instance, wrote to Hooker complaining that a certain reviewer of his book "drags in immortality, and sets the priests at me," and is ready to "tell the black beasts how to catch me" (*ibid*, ii, 228). Huxley's attitude was well known, and right at the end within a year of his death he wrote in 1894 : "I am not afraid of the priests in the long run. Scientific method is the white ant which will slowly but surely destroy their fortifications," and lead to "the gradual emancipation of the ignorant upper and lower classes, the former of whom especially are the strength of priests." (*Huxley's Life and Letters*, ii, 379). The word "priests" in these extracts is used as descriptive of clergy generally, irrespective of denomination.

Huxley expounded his theological views publicly and emphatically in his addresses and books. Darwin did not do so. In various

letters he is to be found stating, "My theory is in a muddle." The fact of the matter seems to be that his own intuitive feelings for a long time prevented him from carrying his scientific views to their logical conclusion. According to the Darwinian theory of natural selection all living things are the product of chance variations without purpose or design. Modern evolutionists carry the idea a stage further, regarding life itself as a chance product of inorganic matter. Darwin for a long time refused to accept this idea, but in 1871 he is to be found imagining a chance generation of life from non-living matter—"in some little warm pond, with all sorts of ammonia and phosphoric salts, light, heat, electricity, etc." (Life and Letters, iii, 18).

As he advanced in life, Darwin became more completely materialistic in his views. Less than two months before his death he wrote on February 28, 1882 : "Though no evidence worth anything has as yet, in my opinion, been advanced in favour of a living being, being developed from inorganic matter, yet I cannot avoid believing the possibility of this will be proved some day in accordance with the law of continuity. . . Whether the existence of a conscious God can be proved from the existence of the so-called laws of nature (i.e., fixed sequences of events) is a perplexing subject, on which I have thought, but cannot see my way clearly" (More Letters, ii, 171). The chaotic nature of Darwin's views is revealed in the following statement made in 1879 :

"The old argument from design in Nature, as given by Paley, which formerly seemed to me so conclusive, fails now that the law of natural selection has been discovered. . . There seems to be no more design in the variability of organic beings, and in the action of natural selection than in the course which the wind blows. . . At the present day the most usual argument for the existence of an intelligent God is drawn from the deep inward convictions and feelings which are experienced by most persons. . . Formerly I was led by such feelings ...to the firm conviction of the existence of God and the immortality of the soul. . . I well remember my conviction that there is more in man than the mere breath of the body. But now the grandest scenes would not cause any such conviction and feelings to rise in my mind. Another source of conviction in the existence of God. . . follows from the extreme difficulty, or rather impossibility, of conceiving this immense and wonderful universe, including man and his capacity for looking backwards and far into futurity, as the result of blind chance or necessity. . . This conclusion . . . has gradually, with many fluctuations, become weaker. . . I, for one, must be content to remain an Agnostic" (Life and Letters, i, 309-12).

In 1881 Darwin was asked if a certain correspondent was correct in describing him as saying everything was due to chance. Darwin replied that the word "chance" must have been used "in relation only to purpose in the origination of species." He added : "On the other

hand, if we consider the whole universe the mind refuses to look at it as the outcome of chance—that is, without design or purpose. The whole question seems to me insoluble, for I cannot put much or any faith in the so-called intuitions of the human mind, which have been developed, as I cannot doubt, from such a mind as animals possess; and what would their convictions or intuitions be worth ? " (More Letters, i, 395).

Darwin's position was that whatever the First Cause of all things might be, everything thereafter occurred by chance. Alfred Russell Wallace and Sir Charles Lyell accepted evolution subject to in-breathings of creative power to help the process on, particularly with respect to the appearance of man upon the earth. Wallace regarded natural selection as quite incapable of accounting for man's powers of speech, his taste for music, mathematical faculty, and other attributes separating him by an immense gulf from the lower animals, and in his Darwinism in 1901 Wallace imagined evolution helped along by creative power from time to time just as the direction of a curve is imperceptibly altered. Lyell in correspondence with Darwin in 1859 had raised the same point of injections of primeval creative power, and Darwin replied, "If I were convinced that I required such additions to the theory of natural selection, I would reject it as rubbish" (Life and Letters, ii, 210).

Huxley, with his endless capacity for writing nonsense, rebuked the critics of Darwin for "the most singular" of their fallacies, "that which charges Mr. Darwin with having attempted to re-instate the old pagan goddess, Chance" (Darwin's Life and Letters, ii, 199). Nevertheless, one finds Sir Edward Poulton in his presidential address to the British Association in 1937 recalling the "heroic help" given in the study of Darwinian natural selection by Miss Welldon "who four times recorded the result of 4,096 throws of dice, showing that the faces with more than three points were, on the average, uppermost slightly more often than was to be expected" (Nature, Sept. 4, 1937). According to evolutionists, chance developed the human eye by the operation of discontinuous light on a freckle on the skin. Chance is the only God evolution knows.

Huxley, chief propagandist of Darwinism, expressed himself with frequency and vigour on theological matters. He saw not a tittle of evidence, he said, of a Deity standing to mankind in the relationship of a father. "I am unable," he declared, "to discover any 'moral' purpose, or anything but a stream of purpose towards the consummation of the cosmic process, chiefly by means of the struggle for existence, which is no more righteous or unrighteous than any other mechanism" (Huxley's Life and Letters, i, 241, and ii, 303).

Darwin's moral ideas were based on his evolutionist doctrine. He expressed the opinion in 1879 that "most or all sentient beings have been developed in such a manner, through natural selection,

that pleasurable sensations serve as their habitual guides" (Life and Letters, i, 310). Morality on this basis slides easily and naturally into the doctrine of Aleister Crowley and the Black Mass, 'Do as thou wilt, there is no other law.' The so-called new morality runs along these lines, and the same idea (wrapped in cotton wool) is at the back of the new education, etc.

While Darwin became increasingly materialistic in his views in later life, Huxley became less so. However, one finds Huxley writing on the subject of morality as follows in 1892 : "So far as mankind has acquired the conviction that the observance of certain rules of conduct is essential to the maintenance of social existence it may be proper to say that 'Providence,' operating through man, has generated morality" (Huxley's Life and Letters, ii, 303). Huxley in his Romanes lecture of 1893 admitted that the ethical principle of disregard of self is opposed to the self-regarding principle on which evolution is assumed to have taken place. Huxley also admitted that natural selection fails to account for man's taste for music and his innate sense of moral beauty.

Enough has been quoted of the views of Darwin and Huxley to show the deteriorating effect of their evolutionist imaginings on their entire outlook on life. They are adrift from whatever bearings they ever had, and without any idea of where they are. Their moral standards, so far as they have any clearly defined standards, are inferior to the Christian ones they threw away. Their idea of man as descended from brute beasts is a degraded conception as compared with the conception of man as a spiritual being; and the Darwinian idea of the living world as a chance product without aim or purpose is one which runs counter to the intuitions of mankind. If what they had to tell us was true we should have to accept it and reconcile ourselves to it as best we could. But the standards of proof accepted by evolutionist scientists would be despised by a mediaeval witch finder. The late Lord Halsbury, a former Lord Chancellor of England, has been quoted as very truly saying : "In court we are expected to give full proof in support of every assertion. A professor, on the other hand, appears to consider himself relieved of any such anxiety" (vide *Why be an Ape?*, p. 34).

Evolution is an emanation of darkness, a product of a decadent age. A passage in Huxley's Life reveals the progress of that decadence. In expounding his theological views in correspondence with Charles Kingsley in 1863, Huxley remarked that, except with two or three scientific colleagues, he felt himself helplessly at variance with his fellowmen on these matters, and as remote from them as they would feel among a lot of Hottentots. He added : "I don't like this state of things for myself—least of all do I see how it will work out for my children" (Huxley's Life and Letters, i, 240). Huxley need have had no fear. The evolution boom swept him and his family onward and upwards. Nine years after he wrote the University of St. Andrews

recognised his eminence by electing him its rector. Oxford University later acclaimed him as one of the great men of the day by bestowing an honorary D.C.L. Finally, in 1892 Queen Victoria (or her Ministers) thought it not inappropriate for the Defender of the Faith to summon this active and noisy propagator of disbelief to membership of her Privy Council.

As for the Huxley family, they have flourished mightily in preaching the same Huxleian gospel. In 1899 the evolutionists, in their task of emancipating the ignorant upper and lower classes from thralldom to religion, founded the Rationalist Press Association. Seven years later that body was busy pushing out in scores of thousands a book of 432 pages sold at the obviously unprofitable price of sixpence, and proudly flaunting on its cover an excerpt from the Sunday School Chronicle quoting the Bishop of London as saying that this particular book "has done more damage to Christianity during the last few years than all the rest of the sceptical books put together." Inside the cover appeared the name of Professor Leonard Huxley, son of the great Huxley, as one of the executive officers of the association.

In the third generation Huxley's grandson, Professor Julian Huxley, is able triumphantly to proclaim in his widely circulated *Essays of a Biologist* (p. 74) that "any view of God as a personal being is becoming frankly untenable." The "march of knowledge," he affirms, has left no room in the universe for any such idea. "Creation of earth and stars, plants, animals and man—Darwin swept the last vestiges of that into the wastepaper basket of outworn imaginations, already piled high with the debris of earlier ages," so affirms this worthy scion of the House of Huxley.

It is worth noting that evolution is the mainstay of the Rationalist Press Association volume of which Professor Julian Huxley's father was one of the sponsors. The volume, *The Churches and Modern Thought* by Philip Vivian, solemnly assures us without a quiver of an eyelid that "Evolution is no longer a mere speculative theory, possibly or probably true, but an established fact accepted by the whole scientific world with hardly a single dissentient voice" (p. 169). In putting Christianity through the mincing machine, the author dwells on the pitiful lack of evidence on the religious side. "Even the working man," he tells us, "will not remain satisfied with a theology which maintains the necessity for a foundation of facts, and yet is unable to prove them" (p. 361). With gusto he quotes on page 339 the following statement from T. H. Huxley's essay on "Science and Morals": "The foundation of morality is to have done, once and for all, with lying; to give up pretending to believe that for which there is no evidence. . ."

If evolutionists were to follow Grandfather Huxley's advice, and give up pretending to believe that for which there is no evidence, not very much would be left of their theory. Even prominent evolutionists in pronouncements from the throne in the scientists' parliament have

declared evolution to be just as much a matter of faith as religion. The eminent Professor D. H. Scott, for example, in his presidential address to the botanical section of the British Association in 1921 is to be found saying : "Is then evolution a scientifically ascertained fact ? No ! We must hold it as an act of faith because there is no alternative." Eight years later Professor D. M. S. Watson, of the University of London, told the assembled zoologists of the British Association in 1929 : "The theory of evolution is a theory universally accepted, not because it can be proved true, but because the only alternative, special creation, is clearly incredible."* The facts assembled in these pages suggest strongly that Professors Scott and Watson had excellent grounds for saying no evidence can be found of evolution. The fact of the matter is simply that the Huxleys, Vivians, and the rest, approach evolution in a spirit of credulity and religion in a spirit of incredulity.

It is noticeable that both Professor Julian Huxley and Mr. Vivian attach importance to the number of believers as an item of proof of evolution. Professor Huxley, as previously noted, opens the 1929 *Encyclopaedia Britannica* article on evolution by telling us that "among competent biologists and geologists, there is not a single one who is not convinced," etc. Mr. Vivian proclaims evolution as "accepted by the whole scientific world with hardly a dissentient voice." On the other hand, we have noted various qualified scientific men stating that it 'does not pay' today to express disbelief in evolution, and that the scientific billets only go to professing evolutionists.

The proposition thus seems to run : (1) Evolution is established fact. (2) It is established because scientists believe in it. (3) Scientists have to believe in evolution to rise on the payroll. The reader can draw his own conclusion from these premises. There is certainly no pecuniary sacrifice attaching to belief in evolution today. It is a suitable belief for a scientist desirous of presently possessing a higher-grade motor car. And pursuit of truth for truth's sake is a cold, cheerless occupation compared with going places in a limousine. You travel in pursuit of truth on a secondhand push-bicycle.

"Materialism," says Professor John Elov Boodin, in his *Cosmic Evolution* (1925), "has substituted magic for sober thought. The whole process of evolution becomes a succession of miracles without intelligible ground in the process. The appearance in a world of chance of any order at all, the emergence of life with its series of forms and organs, the final appearance of intelligence and a sense of beauty— all are miracles. . . That any age should take seriously such an incoherent mixture of mysticism and science is evidence of nothing so much as a want of logical thinking. . . By some magic the antecedent

* Professors Scott and Watson are quoted in Major Wren's *Evolution: Fact or Fiction?* pp. 22 and 59. Nature's reports of their addresses, apparently condensed, are to similar effect in less direct language.

forms are supposed to yield new forms and characters. By chance variations the structure of protoplasm is supposed to be built up from inorganic matter, and by further chance the various forms and characters appear. . . Chance is God. . . Materialism offers the most astounding instance of credulity in history" (extracts quoted in Major Wren's *Evolution, Fact or Fiction?*).

Evolution is not a science at all. It is a religion, and a very low-grade religion, with its hymns played in jazz and syncopated cacophony, and its sanctuaries adorned with cubist art—the religion of the Godless, of the crazy intellectuals who don't know anything about anything except knowledge. A few faint gleams of light begin to appear through the murk of this evolutionist hell-upon-earth. A stray scientist here and there begins to perceive that knowledge is not all. Professor Sir Arthur Eddington, peering out into space through his astronomical telescope, perceives something else looming into view. "The problem of knowledge," he writes, "is an outer shell beneath which lies another philosophical problem—the problem of values" (*Philosophy of Physical Science*, 1939, p. 222).

With their heads stuffed full of what they call knowledge our materialist-evolutionist intellectuals have lost all sense of values. They forget that the human rational intellect is but a measuring machine capable of reporting on the difference between this and that, but dealing all the time with nothing but the symbols of reality. Not all the books and all the professors in the world can even tell you the taste of bacon and eggs, you have to eat a dish of them to find that out. Rationalism gives you the menu card and calls it a dinner. It hands you the music score and calls it a concert. Your contact with reality comes through other parts of your consciousness.

Rationalism cannot measure God Almighty, cannot weigh Him : therefore God Almighty does not exist. But as William James, the psychologist, points out* the innumerable men and women who in all ages have felt the presence of God behind phenomena need no logical demonstration to prove that God exists : they know that all the words in all the creeds and religions of the world are but the feeblest shadow of a tremendous fact. Not all men have this insight, but the intuitive feeling that there is an omnipresent power in the universe, outside and beyond man, yet friendly to him and his ideals, has endured in the human heart through all ages and in all lands.

The evolutionist-materialist says these intuitions are superstitious delusions. He wants logical proof before he believes in anything but his material world. But the materialist has yet to be born who can provide any logical proof that the material universe has any existence apart from his own consciousness of it. When it comes to logical foundations he is as hopelessly bankrupt as his opponent. It all comes down to the practical working value in human life of the goods that

* *Varieties of Religious Experience*, pp. 73 and 443.

evolutionist-materialism and religion have to offer. We hear a lot about "Democracy" today. A very valuable book entitled *Modern Democracies* was written a few years after the war of 1914-1918 by the late Lord Bryce. After surveying the democracies of the world as they then stood, Lord Bryce expressed the opinion that the future of civilisation depends upon the future of religion. Of Christianity he said :

"Christianity—a far more powerful force than any political ideas or political institutions, since it works on the inmost heart of man— has produced nearly all the moral progress that has been achieved since it first appeared, and can in individual cases transmute lead into gold; yet Christianity has not done these things for peoples, because checked or perverted by the worse propensities of human nature, it has never been applied in practice" (vol. ii, p. 585).

What has Darwinian monkey-man materialism produced since it first appeared? Nothing but dirt and degradation all along the line. No one is twopence the better for it. What is it based upon. Upon nothing whatever but faith, upon belief in the reality of the unseen—belief in the fossils that cannot be produced, belief in the embryo-logical evidence that does not exist, belief in the breeding experiments that refuse to come off. It is faith unjustified by works—"fanatic faith, that wedded fast to some dear falsehood, hugs it to the last." Whether we seek our ancestors in the Garden of Eden or the monkey-house, it is faith that guides us equally to the one quarter or the other : upwards to the stars and immortal harmonies beyond this muddy vesture of decay; or downwards to the dark earth and the beasts that perish.

Chapter IX

EVOLUTION'S OFFSPRING

IN CURRENT thought today everything is assumed to be in a state of evolution into something else. The theory of organic evolution is not only treated as a fact, but has been made the basis of a philosophy which has invaded every branch of knowledge, and every side of life. This assumed evolutionary change is associated with the idea of progress and an inevitable onwards and upwards movement. The net result of the propagation of evolutionary ideas is, first and foremost, to lower the public resistance to change. The propagation of evolution is thus of the highest advantage to those who, for their own reasons—which are not necessarily those publicly proclaimed by them—wish to effect a revolutionary overthrow of existing institutions. Their battle is half won if they can succeed in propagating the idea that everything is in a state of inevitable and automatically beneficial evolution. In modern parlance, evolution is first-class revolutionary sales talk.

The pioneer in this evolutionary philosophy—himself very far from being a revolutionary—was Herbert Spencer. He embarked on the undertaking a few years before Darwin's *Origin of Species* appeared, and devoted most of a long life to it. The results were embodied in the ten ponderous volumes of his *System of Synthetic Philosophy*, treating of first principles, biology, psychology, sociology, and ethics. It is significant that in applying evolutionary principles to the universe at large, Herbert Spencer passed over inorganic nature. He admitted that logically a treatise on evolution in inorganic nature should have followed next after his *First Principles*, but excused himself on the ground that "even without it the scheme is too extensive," and also evolution in organic nature is "of more immediate importance" (*Epitome of Synthetic Philosophy*, p. 65).

An additional reason for the omission of this portion of the Spencerian philosophy may possibly have been the fact that science appears to be unable to discover any trace whatever of the assumed universal, onwards and upwards, integrative principle of evolution at work in inorganic nature. "Whatever a star's evolution may be," says Sir James Jeans in *The Universe Around Us* (p. 306), "it is essential that it should always be down the steps : any upward step is impossible." The sun, for example, is reported by science to be always

losing energy without full recovery. Turning from stars to atoms, the scientific report is that the largest and heaviest among the atoms (such as radium and uranium) are continually breaking up of themselves; and some atoms have been broken up artificially. But nothing is known of any process of building up the higher-class atoms out of simpler elements. Dr. F. Soddy, professor of physical chemistry at Oxford University, in his contribution to *Evolution in the Light of Modern Knowledge* (pp. 401-4) says there is no reason to suppose the simpler atoms came first and the complex ones afterwards, or that one atom is the parent of another. "Can one honestly see even a trace of that consecutive progress. . . reflected in the ways of the material universe ? " he asks.

In discussing this matter of inorganic nature and evolution in his book *The Bible Confirmed by Science* (from which the above excerpts are taken), Dr. W. Bell Dawson noted the contention in 1930 of Dr. R. A. Millikan that "cosmic radiation" indicates that atoms are being built up in inter-stellar space. Dr. Dawson remarked that such a view could not be definitely verified, and that Sir James Jeans in his *Mysterious Universe* (pp. 75-6) showed the probabilities to be enormously against it. That the Millikan idea remains purely supposititious is indicated from Nature's report of Professor P. M. S. Blackett's Kelvin Lecture on "Cosmic Rays" before the Institution of Electrical Engineers on April 27, 1939. Professor Blackett is reported as saying, "There is little exact knowledge about these rays, and it is assumed that they are due to radiation from the extra-solar universe." If it is only assumption that the cosmic rays come from the extra-solar universe, it presumably requires an extra large dose of evolutionist faith to spring the further assumption that cosmic rays are evolving atoms there. Except for this unverified idea, it seems to be correct to say that science knows nothing of evolution in inorganic nature.

It thus appears that Herbert Spencer might have included a treatise on "The Principles of Inorganic Evolution" in his vast work with no more labour than was involved in the famous chapter Ixxii "Concerning Snakes," in Horrebow's *Natural History of Iceland*, the whole truth of which reads exactly thus : "There are no snakes to be met with throughout the whole island." The reader will recall that the great Darwin himself, after reading a volume of the Spen-cerian philosophy described Herbert Spencer as "about a dozen times my superior, even in the master art of wriggling." Nevertheless, if evolution is a universal principle it should be able to explain how material things came to be. Professor Sir William Bateson admitted this, saying "Every theory of evolution must be such as to accord with the facts of physics and chemistry : a primary necessity to which our predecessors paid small heed" (vide Dr. W. Bell Dawson's *Is Evolution True ?* No. 2, p. 8). Once again our evolutionist steed collapses at the hurdle.

If the great integrative principle of evolution could not be applied

to inorganic nature, it was, however, applied to everything else. The evolutionist dram-drinker soon found himself "seeing things," and with respect to man in particular. Huxley, accepting evolution as a fact, and accepting man's descent from the lower animals as a fact, found himself in sight of various illuminating consequential facts. As dispenser-in-chief of the Darwinian distillation, the aged Huxley in 1893 solemnly got on to his feet, and rammed the following statements down the throats of the callow undergraduates of Oxford in his Romanes Lecture of that year :

"Man, the animal, in fact, has worked his way to the headship of the sentient world, and has become the superb animal he is, in virtue of his success in the struggle for existence ... the self-assertion, the unscrupulous seizing upon all that can be grasped, the tenacious holding of all that can be kept, which constitute the essence of the struggle for existence, have answered. For his successful progress, throughout the savage state, man has been largely indebted to those qualities which he shares with the ape and the tiger; his exceptional physical organisation; his cunning, his sociability, his curiosity and his imitativeness; his ruthless and ferocious destructiveness when his anger is aroused by opposition . . . after the manner of successful persons, civilised man would gladly kick down the ladder by which he has climbed."

There are no "ifs" and "ands" in this Huxleian pronouncement. All is as real and visible as the pink snakes crawling over the counterpane. Unfortunately, the archaeologists, looking in the ground for their facts instead of drawing upon their imaginations for them, appear to be finding evidence that civilised man was in existence all the time. One finds an eminent archaeologist, Dr. A. H. Sayce of the University of Oxford, quoted as saying: "Neither in Egypt nor in Babylon has any beginning of civilisation been found. As far back as archaeology can take us, man is already civilised, building cities and temples, carving stone into artistic form, and even employing a system of picture writing; and of Egypt it may be said, the older the country, the more perfect it is found to be. The fact is a very remarkable one, in view of the modern theories of development, and of the evolution of civilisation out of barbarism. Whatever may be the reason, such theories are not borne out by the discoveries of archaeology. Instead of the progress we should expect, we find retrogression and decay; and where we look for the rude beginnings of art, we find an advanced society and artistic perfection. Is it possible that the Biblical view is right after all, and that civilised man has been civilised from the outset ? " (vide Dr. W. Bell Dawson's *The Bible Confirmed by Science*, p. 141).

In Germany, the modernists in the Church and the socialists outside it, both took up with Darwinism at an early date. On it also Frederick Nietzsche built up his philosophy of Prussianism. "Nietzsche was the child of Darwin," says Dr. Will Durant in his *Story of*

Philosophy. Darwin, Durant says, swept away the last remnant of the theological basis of modern morals, and "men who could think clearly soon perceived . . . that in this battle we call life, what we need is not goodness but strength, not humility but pride." Nietzsche contended that just as man had evolved from an ape-like ancestor, so a higher type "superman" would evolve from man. Here are a few Nietzschean pearls of wisdom :

"We . . . believe that [man's] will to Life had to be intensified into unconditional Will to Power; we hold that hardness, violence, slavery, danger in the street and in the heart, secrecy, stoicism, arts of temptation and devilry of all kinds; that everything evil, terrible, tyrannical, wild-beast-like and serpent-like in man contributes to the elevation of the species just as much as the opposite—and in saying this we do not even say enough."—Beyond Good and Evil, sec. 44.

"Ye say it is the good cause which halloweth even war ? I say unto you, it is the good war, which halloweth every cause."—Thus spake Zarathusa, "War and Warriors."

"One must . . . resist all sentimental weakness : life is in its essence appropriation, injury, the overpowering of whatever is foreign to us and weaker than ourselves, suppression, hardness, the forcing upon others of our own forms, the incorporation of others, or, at the very least and mildest, their exploitation."—Beyond Good and Evil. sec. 259.

"We children of the future . . . do not by any means think it desirable that the kingdom of righteousness and peace should be established on the earth ... we count ourselves among the conquerors; we ponder over the need of a new order of things, even of a new slavery—for every strengthening and elevation of the type 'man' also involves a new form of slavery."—The Joyous Wisdom, sec. 377.

Huxley held cunning and ruthlessness to be the means by which man had ascended from beast, according to the Darwinian hypothesis. Nietzsche arrived at exactly the same idea from the same source, and as a practical-minded person urged his fellow Germans to carry on with the good work and joyously evolve into the "Super-man," "the blond beast, lustfully roving in search of booty and victory." Darwin's and Huxley's countrymen have since been engaged in two expensive efforts to remove this Darwinian inspiration from the German intellect.

Marxian socialism, like its stable companion atheism, with which it is usually to be found jogging along in double harness, has drawn sustenance freely from the evolutionary nosebag. Karl Marx (original family name Mordecai) produced his original programme of revolutionary violence in his Communist Manifesto of 1848, and the first volume of his theoretical justification of it, *Das Kapital** in 1867. In this he drew largely on Malthusian ideas, via Ricardo. His financial

* It was to Darwin that Marx wished to dedicate *Das Kapital*. With characteristic tact, Darwin declined the honour. (Editor).

backer and collaborator, Engels, in his celebrated oration over the grave of Marx, declared Marx and Darwin to be twin discoverers of the law of evolution, saying : "Just as Darwin discovered the law of evolution of organic nature, so Marx discovered the evolutionary law of human history—the simple fact that ... the production of the material necessities of life and the corresponding stage of economic evolution of a people or a period provides a foundation upon which the national institutions, legal systems, art, and even the religious ideals of the people in question have been built, and upon which, therefore, their explanation must be based."

Numerous quotations showing the close tie-up between evolution and revolutionary socialism appear in Mr. Dan Gilbert's excellent little book *Evolution: the Root of All Isms* from which the foregoing is quoted. Enrico Ferri, the Italian socialist leader, asserted in his *Socialism and Modern Science* that Marxian socialism "is nothing but a vital and logical corollary in part of Darwinian, in part of Spencerian, evolution." Said Karl Kautsky, German socialist leader : "For Marx, on the other hand, the class struggle was but a particular instance of the universal law of evolution, whose essential qualities are in no case peaceful." The American socialist, Morris Hillquit (real name Hilkowicz) said in his *Socialism in Theory and Practice*: "Karl Marx alone consistently introduced the spirit of Darwinism into the study of social phenomena by substituting the . . . doctrine of the class struggle in the more modern stages of social development for the . . . doctrine of the struggle for existence in its lower stages." Hillquit proceeds to lay it down that "in the ascending scale of organic existence the struggle between individuals of the same species gradually abates and is superseded by collective struggles of such individuals."

The various socialist writers, after imbibing at the evolutionary fountain, arrive at very similar views to those of Nietzsche as to the morality of the whole business. Survival is the evolutionary test of fitness, and anything which helps to survival is moral. Here are a few flowers of socialist thought along these lines of evolutionist morality :

"All the factors which impede the path to its [socialism's] approximate realisation are anti-ethical or immoral; contrariwise, all factors or movements which tend in its direction are ethical."—Morris Hillquit, noted American Socialist, in his *Socialism in Theory and Practice*.

"The socialist has a distinct aim in view. If he can carry the initial stages towards it by means of the count-of-heads majority, by-all means let him do so. If, on the other hand, he sees the possibility of carrying a salient portion of his programme by trampling on this majority, by all means let him do this also."—E. Belfort Bax, noted English socialist, in his *Ethics of Socialism*.

"The dictatorship of the proletariat is nothing else than power

based upon force and limited by nothing—by no kind of law and by absolutely no rule."—Lenin, *Complete Works*, vol. xviii, p. 361.

"The class-war is not only to continue, but must be carried on with considerably increased intensity. The classes inimical to the workers are, it is true, beaten, but the individuals continue to exist. They have not all of them been shot as yet, not all of them have been caught, not all of them have been physically annihilated. The carrying out of this task lies before us."—Krylenko, principal public prosecutor of the Soviet Union, in May, 1934.

The foregoing excerpts appear among others in Mr. Gilbert's book to which reference has been made. They could be multiplied indefinitely. Everything is based upon the evolutionist line of thought of the survival of the fittest in the struggle for existence—that which succeeds, anything that pays, is moral. The socialistic authors quoted exhibit exactly the same moral ideas as underlie Nietzsche's Prussian-istic philosophy, and both are derived from the same source.

The tie-up between evolutionary scientists and Bolshevism is notorious. According to London press statements of July, 1940, Professor J. B. S. Haldane, noted evolutionist, was then chairman of the editorial board of the *Daily Worker*, official organ of the Communist Party of Great Britain, and which, according to Lord Newton in the House of Lords on June 13, 1940, had "done all it can to impede the war effort of the Government."

In his references to the file of Britain's leading scientific journal *Nature*, the present writer noticed in its issue of May 23, 1936, three and a half of its foremost pages devoted to a glowing review of a new book, *Soviet Communism** by Sidney and Beatrice Webb. This book is a whitewashing of Bolshevism by two English socialists who have spent the last half-century in percolating socialism, via the Fabian Society, into the British upper classes, civil service, and universities. The book was outside the usual range of topics of a purely scientific journal, and the present writer in turning over the files of *Nature* did not chance to encounter reviews of books critical of Bolshevism. *Nature* declared the Webbs' book to be "a work of ultimate significance to the English-speaking world"; and the Bolshevik revolution itself is described as "an event in human history like the spiritual emancipation that came with Christianity and the political emancipation that culminated in the French Revolution." This scientific journal thus showed itself ready to go out of its way to use its pages

*Beatrice Webb in "Our Partnership," p. 491, categorically affirmed that Soviet Communism was the work of her husband and herself. But the one-time Soviet Army officer, Colonel Bogolepov, who fled to the West, giving evidence before The Internal Security Sub-Committee of the United States Senate Committee of the Judiciary on April 7th, 1952, stated that the entire text of the Webbs' book had been prepared in the Soviet Foreign Office. The Colonel explained that he had done most of the ghost-writing himself in the line of duty.

(Editor).

as a vehicle for communist propaganda in the university and other circles in which it circulates.

Evolutionist worship of Bolshevism is reciprocated by Bolshevik worship of evolution. Evolution is a mainstay of the Soviet anti-God campaign. One Soviet evolutionist effort for the "spiritual emancipation" of Russia was recorded in Mr. R. O. G. Urch's *Rabbit King of Russia* (pp. 82-83). He relates that according to the *Krasnaya Gazette* of December, 1925, Professor Ilya Ivanovich had left with a scientific expedition on a mission to the Congo. The object was to catch a number of female chimpanzees, and "to fertilise the apes by artificial methods and bring back the mothers with the little human apes to gladden the hearts of the Anti-God Society in Soviet Russia and prove that "There is no God." The result remained obscure, a detailed rumour in circulation in Moscow the next year stating that the ship on which the expedition was returning had been lost with all hands. Evolutionist experiment obstinately refuses to come off, not even to help along the spiritual emancipation of Soviet citizens.

Among the varied offspring of the Darwinian doctrine of man's animal descent are the numerous "scientific" doctrines of free-love. Mr. Gilbert deals at length with these in his useful *Evolution: the Root of all Isms*. He points out, for example, that the late Professor Freud in his *General Introduction to Psychoanalysis*, of which teaching he was the founder, lays it down that "man's animal nature is ineradicable" and makes this the justification for "giving full rein to one's sexuality." This Freud affirms to be quite in order as evolution shows that man is "an animal accustomed to the freedom of the jungle." and "unadapted" to the restrictions of Christian civilisation. This is the entire burden of the psychoanalytic gospel. A popular American university textbook, *An Outline of Psychoanalysis*, edited by J. S. Van Tieslaar, states : "Psychoanalysis represents but an extension of the theory of evolution, an application of the principle of evolution . . ." Dr. Samuel D. Schmalhausen, probably America's most popular and persistent champion of the so-called new morality of "sex expression" and "sex experimentation" with unlimited license, bases his arguments throughout on animal behaviour and man's supposed animal descent. "The sexual revolution is the terminal phase of the scientific revolution," he says in his *Sex and Civilisation*. Robert Briffault, another leading writer on these lines, in a contribution to a symposium by America's "sex philosophers," entitled *Our Neurotic Age*, records various observations of the habits of monkeys, etc., and triumphantly announces : "No indication is to be found among any animal of an appreciation of the rudiments of Christian morals." Christian morals thus lack evolutionary sanction, and are defined by Briffault as a "disease" of civilisation.

Another by-product of evolution dealt with by Gilbert is Determinism, which teaches that it is wrong to put criminals in gaol

because human beings are not responsible for their actions and have no freewill. Metchnikoff, leading Determinist, in his *Nature of Man* says : "Evolution knows nothing of free will. All our actions, scientifically speaking, are the necessary outcome of chemical processes of the brain." A number of evolutionists take this stand. Behaviourism goes a step further again, and flatly denies the existence of the soul, of free will, and of consciousness. Its founder, Dr. John B. Watson, started out with a study of animal psychology and then carried on with human psychology. Behaviourism maintains that man is entirely animal, and that "man should be treated just as the animal is treated."

In concluding this brief survey of some of the fruits of the theory of organic evolution, it is interesting to recall the comment of Adam Sedgwick, the geologist, on the Darwinian theory when it first appeared. After reading through his copy of the *Origin of Species*, the old man sat down and wrote a letter to Darwin on Christmas Eve. 1859. In it he said :

"We all admit development as a fact of history : but how came it about ? Here in language, and still more in logic, we are point-blank at issue. There is a moral or metaphysical part of nature as well as a physical. A man who denies this is deep in the mire of folly. 'Tis the crown and glory of organic science that it does through final cause, link material and moral . . . You have ignored this link; and if I mistake not your meaning, you have done your best in one or two pregnant cases to break it. Were it possible (which, thank God, it is not) to break it, humanity, in my mind, would suffer a damage that might brutalise it, and sink the human race into a lower state of degradation than any into which it has fallen since its written records tell us of its history" (Darwin's *Life and Letters*, ii, 248).

For great masses of people the theory of organic evolution has undoubtedly broken the link between material and moral, has had brutalising results, and has plunged them into a lower state of degradation. It represents lost ground in every direction.

Chapter X

WHAT SCIENCE IS FINDING

NOTHING is more striking in recent scientific literature than the steady accumulation by evolutionists themselves of a mass of facts wholly opposed to the theory of evolution to which they continue to affirm their adherence. This applies not only in the field of biology, but also, as will be seen in the next chapter, in archaeology and anthropology. In every direction the scientists themselves are busy removing bricks and undermining the walls of the citadel of evolution while at the same time loudly proclaiming the fabric to be intact. The indications are either that the entire theory will presently be abandoned as obsolete and untenable, or, alternatively, that science will be reduced to the teaching of dogma regardless of fact, in which direction it has already proceeded a considerable distance.

Evolution teaches the mutability of species. Modern scientific observation is becoming increasingly impressed with the great stability of species as the outstanding fact about living organisms. Darwin in concluding the *Origin of Species* proclaimed that there was no essential difference between varieties and species, species being all the time in process of evolution into new forms, and varieties being merely incipient new species. "We shall at least be freed from the vain search for the undiscovered and undiscoverable essence of the term species," he declared. Living organisms being nothing but a series of dissolving views with everything in transformation, Darwin laid it down that in future naturalists in labelling species would only have to decide whether any form happened to be "sufficiently important to deserve a specific name."

This idea is in line with a notion freely advanced in intellectual quarters today : that there are no pure races of mankind, and that it therefore follows there is no difference between a white man and a negro. On these lines we had Mr. Bernard Shaw holding forth in South Africa a few years back that the uplift of that country would be brought about most quickly by the two million whites intermarrying with the seven million black inhabitants of the country.

On the Darwinian view individuals alone exist in nature, species being purely an arbitrary concept. Nevertheless, species seemed to be sufficiently real to Darwin for him to devote a book of 700 pages to trying to account for their origin. Louis Agassiz, in reviewing

Darwin's book in the American Journal of Science for July, 1860, commented on this anomaly, and asked : "If species do not exist at all, as the supporters of the transmutation theory maintain, how can they vary ? and if individuals alone exist, how can the differences which may be observed among them prove the variability of species ? " It does not appear that Agassiz ever got an answer to this conundrum.

According to evolutionist teaching, living things are a chance product of inorganic matter, and are being continuously pruned and moulded into new shapes by their environment. The living forms are, so to speak, mere jelly or plastic putty, struggling together for existence, in a given environment, and by natural selection attaining an endless succession of forms increasingly adapted to the environment. The environment is the determining factor, and heredity amounts to little or nothing. Such is the grand theory. When the scientists lay their theoretical spectacles aside we find them announcing the exact opposite as the outstanding fact to be observed in the natural world.

Here, for example, is a recent report from the scientific throne, delivered in 1939 by the president of the zoological section of the British Association, Professor James Ritchie, of the University of Edinburgh : "We are accustomed to lay stress upon the variation of living things, upon which evolution depends, but surely more remarkable is the stability of living organisms, which retain their own characters in spite of changes in the environment, and whose germ cells pass these characters unaltered through countless generations" {Nature, September 25, 1939}.

As far back as 1921 Professor D. H. Scott was saying exactly the same thing as president of the botanical section of the British Association for that year. He said : "The small variations on which the natural selectionist relied so much, have proved, for the most part, to be merely fluctuations oscillating about a mean, and therefore incapable of giving rise to permanent new types. . . The whole tendency of modern work is" to show that in living things heredity is supreme. An organism is what it is by virtue of the constitution of the germ plasm derived from its parents" (Nature, September 29, 1921).

In the Oxford University Evolution book of 1938, one finds Mr. J. Z. Young, demonstrator in zoology at Oxford, saying (p. 180) : "As Henderson puts it, 'living things preserve or tend to preserve an ideal form, while through them flows a steady stream of energy and matter which is ever changing, yet moulded by life; organised in short.' The very object of our study as biologists is this organisation and its preservation, it is 'the first fact which strikes us about organisms,' and it is, as Woodger remarks, curious that it should be necessary to draw attention to it."—This is tacit admission that evolutionist theory has blinded scientists to what stares them in the face.

Similar testimony to this constancy of species is borne by Professor A. W. Lindsey, of Denison University, U.S.A., in his interest-

ing Problems of Evolution published by Macmillans in 1931. Professor Lindsey remarks that: "All of the selection theories, all ideas of isolation, all of our knowledge of mutations, serve only to show that the characters which make up a species may be reassorted, re-distributed, preserved in part and destroyed in part, or modified to some degree" (p. 134).—In other words, you can get variations within species, and sometimes wide variations, but you cannot get anything whatever which was not there to begin with.

All the above statements are made by professing evolutionists. Nevertheless, all are testimony unfavourable to the theory of evolution. Professor Ritchie after remarking on the stability of species, gets no further than observing that "we must conceive of evolution as a process of extreme slowness." Failure to discover evidence of evolution has led to the scientists making very large drafts on the bank of time. On this point Sir William Bateson remarked a good many years ago that "Time cannot complete that which has not begun."

The majority of the evolutionists did not share this Batesonian view. They felt that evolution could achieve anything if supplied with sufficient time. A furious battle raged in the scientific world from 1892 to 1921 over this subject of time. The geologists, calculating the rate of deposition of the sedimentary rocks, had in the main been willing to supply generous allowances of time. Sir Archibald Geikie on this basis provided evolution with about 100 million years. The physicists next upset the applecart. Lord Kelvin asserted that not more than 40 million years had elapsed since the molten earth solidified. Professor Tait knocked this down to 10 million. Professor Joiy eased the situation by estimating the sodium content of the oceans and the amount of salt carried in by the rivers, and he calculated the age of the oceans as from 80 to 90 million years. Professor Sollas in a British Association presidential address reprinted in his *Age of the Earth* (1908) affirmed that, properly regarded, both the sedimentary rocks and the oceans testified to about 26 million years as the correct figure : and he asserted that this should be sufficient time for everybody. Most of these estimates were revised by those who made them, sometimes out of recognition.

At the British Association meeting in 1905, Sir George Darwin threw out a life-line to the evolutionists by announcing that Madame Curie's investigations with radium might throw light on the age of the earth. Calculations were thereupon embarked on as to the rate of disintegration of radio-active ores in the rocks, and by 1921 Lord Rayleigh had evolution nicely fixed up with about 1000 million years available for something to evolve into something else. A few more hundred million years have since been thrown in to prevent any undue cramping. Professor Ritchie in his 1939 address was able to remark that "now a consensus of opinion admits credibility to estimates based upon the break-up of radio-active minerals in the rocks," and that they might say life had existed on the earth for perhaps 1200

million years, and that the birth of the sun and stars took place about 2000 million years ago.

Mr. Dewar in his *More Difficulties* (pp. 101-6) remarks that having abandoned belief in evolution, he has ceased to be particularly interested in the time allowance for the imagined process. He points out that the present fashionable calculation based on radio-activity is in total conflict with all the previous calculations, and seems to have been jumped at on the principle of not looking a gift horse too closely in the mouth. He notes Professor Joly, Mr. D. J. Whitney, and Professor A. Holmes recording the most completely discordant results from tests of radio-active ores obtained from the same rocks. He remarks that the present theory assumes that the rate of disintegration of radio-active ores has always been the same as today; whereas Lord Rutherford, Professor Joly, and Professor Fermi have expressed the opinion that the radio-active elements may be simply the end-product of other elements which disintegrated so rapidly that no trace of them now remains on earth.

Sir Ambrose Fleming, F.R.S., in a presidential address to the Victoria Institute in 1935, said, "It is certain that the geologists have not found any generally agreed and unquestionable test by which to determine the geological age in years of earth crust materials or deposits and the assumptions made by some are disputed by others." Sir Ambrose Fleming has since continued to insist emphatically on the worthlessness of present evolutionist chronology, and he appears to have good grounds for doing so. In every sphere it touches evolution demands the wholesale manufacture of conclusions to fit in with preconceived theory.

Although now supplied with years by the thousand million, the main result seems to be that science finds species remaining unchanged over longer periods than was the case under its former chronology. This stability continues to be the great fact presented both to the zoologist and the botanist. Coupled with it is also another impressive fact, the endless small variations within the species themselves. Species exhibit all manner of varieties and strains within the interbreeding community, and within these varieties and strains again are endless small individual differences. Here in Nelson, New Zealand, we had the eminent Dutch botanist and evolutionist, Dr. J. P. Lotsy tell us in his Cawthron Lecture in 1927 that: "It is practically impossible to make a group of identical individuals; we can but make a group of similar individuals, because in nature no two individuals are alike in all respects." Many other naturalists have made similar remark.

"To my mind," says Mr. Dewar, "one of the most impressive phenomena of the organic world is this variety, coupled with stability of the type. It would seem that in a sense every individual is a new creation" (*More Difficulties*, p. 72). Mr. Dewar adds that he knows of

no better explanation of this variety than that given by Paley away in 1802 in his *Natural Theology* (p. 170), when he wrote that what we see around us might "induce us to believe that VARIETY itself, distinct from every other reason, was a motive in the mind of the Creator, or with the agents of His will." In Paley's day not so much was known about this variety in individuals as is now the case. Nobody, for example, had then recognised that apparently the whorls on the finger tips are not alike in any two human beings.

So far from evolution having relieved naturalists of the task of deciding What is a true species and what is not, one finds them still busy discussing the point. In 1938 the Linnaean Society of London celebrated its 150th anniversary with a symposium on "The Concept of Species from the time of Linnaeus to the Present Day." From the *London Times* report (May 26, 1938) it appears that the speakers were agreed that species are a reality, and that a number of them were of the opinion that the true concept of species is an interbreeding community. This, of course, is sliding back a long way from Darwin's idea that in the light of evolution a species is merely a group of similar individuals of sufficient importance to deserve a specific name—a purely arbitrary conception, in short.

As to what are true species—using the word as connoting interbreeding communities—it appears that science today has very limited knowledge. In the Linnaean Society discussion Dr. Karl Jordan of the Tring Museum pointed out that a large number of described species are known only from a specimen or two, and great numbers of them are probably mere varieties within other species. In the *Oxford University Evolution* book (p. 108) Dr. O. W. Richards remarks that there is only one way to obtain genetical information about species, and that is by breeding experiments. He points out, however, that "many animals are extremely difficult to breed in captivity, and in any case there is no hope that more than a few of the very numerous known species of animals can be investigated genetically."

To a layman it appears curious that with the scientists all at sixes and sevens as to what constitutes a species, they should all be so dogmatic on the origin of species. The cart seems to have got before the horse. Mr. Dewar as an anti-evolutionist and a believer in special creation adopts a more rational attitude. In his *More Difficulties* (p. 10) he says he does not in the least profess to know what the units of creation are. He does not assert that every species, every genus, or even every family has been specially created. He holds it the duty of biologists to try to discover what these units are. In his opinion the data at present are not nearly adequate to make even a tentative pronouncement; and "all that can be safely said is that so far, breeding experiments seem to indicate that the units of creation are small, or in other words, that the number of these units is great."

It is interesting to note that Professor St. George Mivart in his

Genesis of Species in 1871 quoted various passages from the writings of the early Christian Fathers which showed them as holding it allowable to believe that existing forms of animals and plants are not necessarily the forms of their original creation, but are derived therefrom. Mr. Dewar from his anti-evolutionist point of view says he sees no harm in scientists adopting evolution as alternative hypothesis to creation, but, he adds, "I consider it suicidal to adopt evolution as a creed, to distort facts to cause them to conform to it, to brush aside facts not amenable to it, and to minimise difficulties" (More Difficulties, p. 205).

The task of science is to trace back the chain of causation as far as she can, preceding step by step from fact to fact. The theory of organic evolution is assertion unsupported by evidence, and is an invasion by science of the domain of philosophy and religion. In tracing back causation science must in any case come to a point beyond which she cannot go. Man's rational intellect has its limitations, and is quite incapable of conceiving a First Cause. There are only three possible ideas as to the origin of life : (1) that it was created by external agency, (2) that it has always existed, and (3) that it is the product of spontaneous generation. Modern evolutionist science rejects the idea of creation as "incredible." Major Wren in his *Evolution, Fact or Fiction* ? quotes various pronouncements on the point. Says Professor J. B. S. Haldane, "The evidence for the existence of a superhuman Designer . . . was invalidated by the discovery of evolution and the theory of Natural Selection" (An Address to Modern Churchmen, Oxford, 1926). Sir Arthur Keith is quoted as stating, "To say that God made matter, and out of dead matter made living matter, cannot satisfy even a child's intelligence, for the child's next question is sure to be, 'and who made God ?' "

In point of actual fact the constancy of species—which we have noted as impressing itself so strongly on the scientific mind of late— coupled with the endless variety in the individual organisms, is much more consistent with the idea of special creation than with evolution. The observed fact that apparently no two individuals in nature are exactly alike in all respects is in harmony with the intuition of mankind that every living thing is a direct and unique manifestation of the creative power of an omnipotent and omnipresent Deity. When the evolutionist rejects the idea of special creation as "incredible" the most he can say against it is very much what Mr. Dewar in his *Man: a Special Creation* (p. 95) quotes Dr. S. Zuckerman as saying with respect to human beings :

"Either evolutionary change or miraculous divine intervention lies at the back of human intelligence. The second of these possibilities does not lend itself to scientific examination. It may be the correct explanation, but, from the scientific point of view, it cannot be legitimately resorted to in answer to the problem of man's dominantly successful behaviour until all possibilities of more objective explana-

tion through morphological, physiological and psychological observation and experiment are exhausted" (Functional Activities of Man, Monkeys and Apes, p. 155).

The scientists are not content to adopt a neutral attitude. They are not content to state the plain truth that science has nothing to report about the origin of species, and that the quest for evidence of evolution has run to a dead end with negative results in every direction. They insist on ramming evolution down the public throat, evidence or no evidence. In doing this they cease to be scientists and become theologians. The majority of present-day scientists are atheistically inclined, and evolution provides them with a philosophical background for their atheism. The basic issue is thus not scientific but theological.

When the history of modern evolutionist theory is studied its atheistical basis stands out conspicuously throughout. Any reference book in outlining the history of the theory will be found making reference to Buffon (1707-1788), Erasmus Darwin (1731-1802), Lamarck (1744-1829), and finally Charles Darwin (1809-1882). The Comte de Buffon was a prominent figure among the French philosophers and men of letters inveighing against established religion and providing the ideas which were presently put into practical application in the French Revolution. Guizot in his *History of France* describes Buffon as "absolutely unshackled by any religious prejudices"; and notes him pulling strings to avoid having his *Histoire Naturelle* black-listed by the ecclesiastical authorities. An old encyclopaedia (Chambers, 1885) describes him as "largely participating in the vices of the time," and his widow was the last of the numerous mistresses of the Duke of Orleans before that prince was guillotined in the revolution. Buffon put forward evolutionist views, and declared life and mind to be a property of matter.

Lamarck's religious views are not mentioned in any reference book at hand, but he was under Buffon's patronage and was tutor to Buffon's son for a number of years, and presumably found the atmosphere of the household to his taste. Alison's *History of Europe* (i, 176-7) states : "Almost the whole of the philosophical and literary writers in Paris, for a quarter of a century before the French Revolution broke out, were avowed infidels; the grand object of all their efforts was to load religion with obloquy, or, what was more efficacious in France, to turn it into ridicule. When David Hume was invited at Paris to meet a party of eighteen of the most celebrated men in the French capital, he found, to his astonishment, that he was the least sceptical of the party : he was the only one present who admitted even the probability of the existence of a Supreme Being." It does not appear whether Buffon was of this company, but he ornamented many such gatherings.

Erasmus Darwin, grandfather of Charles Darwin, aired evolutionary views in his *Zoonomia* published in 1794. He was a physician at Derby and became acquainted with Rousseau during the period

when the latter was living in exile in England at Lichfield under the patronage of David Hume, and corresponded with him thereafter. Rousseau was the chief philosopher of the French Revolution, affirming that man was born innocent and good, that the savage was the model of every virtue, and that all miseries and vices were due to the tyranny of kings, the deceptions of priests, the oppressions of nobles, and the evils of civilisation. Property, he declared, was the great evil which had ruined mankind : and self-control was a violation of nature. It was significant of much that was to come that Rousseau opened his famous *Discourse on the Origin of Inequality* by saying, "Let us begin by laying facts aside as they do not affect the question."

Charles Darwin in his *Life and Letters* (iii, 179) describes his father, son of Erasmus, as "a freethinker in religious matters," and although he himself was at one time a divinity student at Cambridge, he presently turned his back on both the Church and Christianity. It is noticeable that both Darwin and Huxley abandoned their religious beliefs at or about the time at which they adopted evolutionist views.

Darwin derived the basic idea of his theory—the struggle for existence—from Malthus, and it is curious that although Malthus himself was a clergyman of the Church of England, his father, Daniel Malthus, according to Beale's *Racial Decay* (p. 38) was a friend and executor of Rousseau. If Buckle's statement in his *History of Civilisation* is correct, and Voltaire was the real originator of the Malthusian idea of population increasing faster than food supply, we have yet another root of modern biological science running back into the midst of French pre-revolutionary philosophy. "Voltaire," says Guizot's *History of France*, "has remained the true representative of the mocking and stone-throwing phase of free-thinking ... At the outcome of the bloody slough of the French Revolution and from the chaos it caused in men's souls, it was the infidelity of Voltaire which remained at the bottom of the scepticism and moral disorder of the France of our day" (Sampson Low's edition, 1889, p. 521).

The foregoing facts are sufficient evidence of a pronounced atheistical background in the incubation of the theory of organic evolution. It is obvious that if belief in God is rejected, a necessity at once arises for some theory accounting for the origin of life otherwise than by creation from the dust of the earth. Evolution meets this need, and the indications throughout are that evolution is a theological and not a scientific product. It was invented to meet the requirements of atheism, and it is maintained and propagated for the same reason.

Chapter XI

MAN AND CIVILISATION

THAT expensive compendium of evolutionary fairy stories, the fourteenth edition of the Encyclopaedia Britannica, opens its article on civilisation with the announcement that "there could be no real understanding of the fundamental characteristics of civilisation until the fact was well established and digested that if we could trace back man's lineage far enough we should find it merging into that of wild animals." The truth of the matter is that modern research into the origins of civilisation and human culture is busy all the time piling up a mass of facts totally inconsistent with any such evolutionist ideas.

The archaeologists excavating in Babylonia and Egypt report that they are unable to discover any beginnings to civilisation. As far back as they can go man is already civilised. At the same time the diffusionist school of anthropologists which has grown up in the past twenty years reports that the weight of evidence is that no savage race ever invented anything, and that all culture was diffused from a common source in South-western Asia, with its centre somewhere about the head of the Persian Gulf.

On page 71 above we noted the late Professor A. H. Sayce remarking on this failure of archaeology to discover any beginnings to civilisation, and asking whether the truth was that the Bible was right after all, and man was civilised from the beginning. In quoting this passage in his book Dr. Bell Dawson did not mention its source, but it is possibly from the Huxley Lecture of 1930 on "The Antiquity of Civilised Man" which Professor Sayce delivered to the Royal Anthropological Society, and of which an abridged report appears in *Nature* of November 29, 1930. In that report one finds Professor Sayce remarking incidentally that the jewellery discovered in the remains of the earliest civilisation would grace a Bond Street jeweller's window today. When the present writer, in common with the many other New Zealand soldiers of the last war, visited the Cairo Museum, nothing impressed him more than the beautiful workmanship of the jewellery of the First Dynasty, dating back to a period almost as far before Moses as we are after him.

Writing of the earliest remains of pre-dynastic civilisation in Egypt, Mr. Arthur Weigall, formerly inspector-general of antiquities

to the Egyptian Government, says in his *Short History of Ancient Egypt* (1934, p. 19) : ". . . We find ourselves confronted with a civilisation in being and we really do not know whence it came. Writing had begun; the arts were already highly developed; great armies were in commission; cities had grown up; and the king was surrounded by his ministers and his nobles." Other archaeologists make similar report as to the absence of any discoverable primitive beginnings to these ancient civilisations.

Turning to the side of anthropology, we find a recent writer of the diffusionist school, Lord Raglan, who was president of the anthropological section of the British Association in 1933, providing considerable further food for thought. In his *How Came Civilisation ?* (1939, pp. 56-7) he states that all the evidence is that the inventions and discoveries on which European civilisation—that is to say, Graeco-Roman civilisation—was based, seem to have been made somewhere within a region centering on Persia and extending from Egypt to North India and China. "The question then arises," adds Lord Raglan, "were the people of Persia, Mesopotamia, etc., when they began to make all these discoveries and invent all these traits, savages ? The answer must be that if they were they must have been very different from any savages, either ancient or modern, of whom we know anything, since these latter, as we must repeat, are not known ever to have invented or discovered anything."

Current belief today is that the savage races of the world are in the same state civilised man is supposed to have been in a few thousand years ago, and if left alone would ultimately rise to civilised status by process of gradual "evolution." Lord Raglan in summing up the diffusionist case in his most interesting little book, says all the evidence is in exactly the opposite direction, and that "no savage society, when left to itself, has ever made the slightest progress." The only change that has ever been observed to take place in these isolated societies is a change for the worse.

Many lands are stated by Lord Raglan to provide evidence of this retrogression, and it is especially evident in Polynesia. Language and customs show that the people of the Pacific Islands from Hawaii to Easter Island and across to New Zealand probably spread from some common centre. They possess sea-going canoes, but since they have been known to Europeans they have never ventured far out of sight of land. Their ancestors must have made long voyages again and again. In many of the islands are erections built of large blocks of stone. The modern Polynesian is completely ignorant of the art of building in stone. Dixon in his *Building of Cultures* (p. 280) says that "the Polynesians in their eastward drift into the Pacific lost textiles, pottery, and metal-working, and gave up the use of the bow." Fragments of pottery are found scattered about on islands where the natives have now lost the art. In the New Hebrides the natives had the art of weaving in the seventeenth century, but have since lost it. Lord

Raglan devotes a chapter to instances of deterioration of culture among different savage races, and says that so far as he can learn there is nothing whatever to put into the scale against it. Savage races are capable of being civilised by missionary effort, but are incapable of civilising themselves.

Taking such items as the bow and arrow, the domestication of animals, the plough and the hoe, pottery and the potter's wheel, etc., Lord Raglan contends that all the evidence points to diffusion of these inventions and discoveries from a common centre. "I know of no case," he says, "in which anything which can be described as an invention has been recorded as having been made by a living savage . . . People who themselves have never had an idea exhibiting the slightest sign of originality have no difficulty in crediting primitives or savages with brains of the utmost fertility. . . what have Binks the banker and Brown the bus-driver invented ? There are in our midst thousands of intelligent and capable Binkses and Browns who have invented nothing whatever; can it really be believed that every savage community, however small and primitive, has produced a succession of men possessing an inventive genius such as has been totally denied to Binks and Brown? " (pp. 40-1).

Throughout historic times we know that civilisation has spread by diffusion. On what ground, asks Lord Raglan, are we to assume that in pre-historic times the exact opposite was the case and everything was independently invented? Everything points to things like the baking and glazing of pottery, the use of the potter's wheel, etc., etc., only being discovered once. The distribution of culture points to groups of people pushing out in all directions from the original home of mankind. The larger the cultural equipment in such a movement, the further it would be likely to get, and adaptation to the environment would probably consist of dropping whatever elements were unsuitable to life in the wilderness. On top of this, as families possessing skill in various crafts became extinct further cultural loss would be probable. In another striking passage Lord Raglan says :

"We know that our own civilisation in all but its latest phases, was not evolved locally, but derived from the Mediterranean. We know that Greece derived its civilisation from Asia Minor, Crete and Egypt. We, like the Greeks and Romans, have improved upon the civilisation which we received from outside, but it is quite untrue to say we evolved our own civilisation. It is then clearly not the fact that civilisation has everywhere been evolved out of savagery, and to say that it has anywhere been evolved out of savagery is a guess which cannot be supported by any evidence. As Niebuhr (quoted by Tylor, *Primitive Culture*, i. 41) remarked, 'no single example can be brought forward of an actually savage people having independently become civilised.' So far as we know, all civilisation has been derived from pre-existing civilisation, not from savagery.

"Of the real beginnings of culture we know nothing for certain, and it is very doubtful whether we ever shall. It seems likely that the cradle-land of the human race was in South-western Asia, where was also the seat of the earliest civilisations, yet there are fewer traces of 'primitive man' there than in many other parts of the world. Whether this is because the earliest cultures are beneath the silt of the Euphrates or the Indus, or whether their remains still await the chance disturbance of the surface at some hitherto unsuspected spot we cannot say. What we can say is that all the facts alleged as the beginnings of culture are fallacious" (pp. 50-1).

It is impossible to present here even an outline of the evidence on which the diffusionist anthropologists reach their conclusions. Lord Raglan's intensely interesting little book so freely drawn upon above, gives the most recent outline of the case; and the reader desiring more information will find it in the books of Dr. W. J. Perry and the late Sir Grafton Elliot Smith, formerly professor of anatomy in the University of London, who appear to have been the leading exponents of this line of research. It may be mentioned in passing that the diffusionist contention is that the Maya and Inca civilisation of America was carried from East Asia by sea-voyagers across the Pacific. Like the ancient civilisations of the Near East, this appears to have no primitive beginnings; and the diffusionists point to many remarkable affinities with Asiatic civilisation.

Coupled with the inability of the archaeologists to uncover any primitive origins of the Mesopotamian and Egyptian civilisations, the evidence assembled by the diffusionist anthropologists presents believers in human evolution with some very considerable nuts to crack. Curiously enough, the diffusionists themselves are all convinced evolutionists. The late Professor Elliot Smith ranked as a leading authority on monkey-men. Lord Raglan in his book says on page 56 that "we may suppose that man v/as evolved from the ape within this region" of ancient culture. Dr. Perry in his *Growth of Civilisation* (1924) on page 112 reveals himself as an evolutionist also. His view is that through a misunderstanding of evolutionary doctrine it has been assumed that simple forms of social organism must necessarily have preceded the more advanced in all parts of the world. Both he and Professor Elliot Smith claim in their books that Egypt provides evidence of a development of civilisation from primitive beginnings. The archaeologists, however, appear unable to find evidence either there or anywhere else of the origins of any of the ancient civilisations.

Accepting evolution in general, the diffusionists reject all idea of evolution as an operating principle in human society. We have seen the flimsy and worthless evidence which is supposed to show mankind as descended from brute beasts. On top of this the archaeologists are unable to find any trace of civilised man ascending from barbarism. Finally, to crown all, the diffusionist anthropologists pre-

sent a mass of facts all pointing to the diffusion of culture throughout the world from some common centre. They may overstate their evidence in some respects, but they certainly assemble together enough to make an exceedingly strong *prima facie* case against the idea of any upward evolutionary movement from barbarism to civilisation. The net result is complete demolition of any idea whatsoever of evolution in mankind and human affairs. In view of all the facts the following from Mr. Dewar's *Man: a Special Creation* (p. 28) is to the point :

"We have no reason for supposing that ... the mental powers of the pre-historic men known to us were lower than those of their descendants; in these early races of man, to quote Professor W. Schmidt (*European Civilisation*, 1934, p. 76) : 'No "ape-like" features are to be found. On the contrary, their really human character manifests itself with purity, clearness and beauty, as certainly as anywhere else in the whole history of mankind . . . Thus, once and for all, we may finally abandon any expectation of fresh evolutionary links being established between the spiritual life of man and that of the highest forms of animal life. Even in the earliest representatives of mankind known to us, the soul is so absolutely and completely human that the advance to it from the highest level of the brute creation is more plainly than ever seen to be an impossibility, and mental development such as evolution requires it utterly excluded.' "

Lord Raglan points out that except for the complex known as Western civilisation, all the cultures of the world today are in a state of decay and degeneration. Civilisation, he says in concluding his book, is far from being a process which keeps going on everywhere. It is really an event which has only occurred twice on the grand scale. All the evidence suggests that the first time was somewhere in Southwestern Asia about the fourth millenium B.C., at which time a number of discoveries were made—corn-growing, cattle-breeding, metal-working, pottery, the wheel, the sail, the loom, the brick—which discoveries were diffused in varying degree about the world. This civilisation reached its prime, and then stagnated and decayed, finally collapsing with the fall of the Roman Empire, the Romans themselves inventing practically nothing.

After a thousand-year interval a new burst of enterprise and inventiveness came, and our present Western civilisation began to arise. "Our Western civilisation," says Lord Raglan, "is not a product of evolution or any other natural process, but the result of a series of historical coincidences" (p. 181). In 1400 Europe knew very little that had not been known in Babylon, Egypt, Greece and Rome. In the fifteenth century four very important events occurred. The Turks took Constantinople, and the dispersion of the scholars of the Byzantine Empire flooded Europe with classical knowledge; America was discovered and a new world opened up; block printing was introduced from China; and a ferment of religious thought accompanied the rise of Protestantism. The upshot of these happenings was a

stirring among mankind which has continued to our day, with steam, electricity, and all manner of inventions transforming life throughout the world. How the first civilisation arose we do not know; but Lord Raglan points out that it was religious in its inspiration, whereas the second was mainly secular. Other writers, however, dwell on the fact that learning was preserved through the Dark Ages in the monasteries and by survival to the fifteenth century of the Christian Byzantine Empire; that the synods of the Church provided the pattern on which the representative political institutions of Europe were modelled; and that the Christian tradition gave Europe a totally different civilisation from the despotisms of Asia, all kingly power being viewed under it as held in stewardship from God.

The diffusionist anthropologists, as already remarked, are evolutionists who flatly reject evolution as a factor in human affairs. Evolution apparently operates throughout the rest of nature, turns apes into men, and then suddenly ceases to operate for reasons not explained. The diffusionist literature is unsatisfactory in that fact and speculation are as badly mixed up as in the rest of present-day scientific literature, and it is not always easy for the lay reader to discover where one ends and the other begins. The diffusionists are orthodox scientifically in their views in so far that evolution is evolution up to man's appearance, and religion is apparently superstition wherever appearing. Nevertheless, the actual facts they present as to diffusion of culture from a common centre are numerous, striking, and destructive of belief in human evolution.

The late Sir Grafton Elliot Smith in his *Human History* (1934 edition, pp. 59-60) is even more emphatic than Lord Raglan in his rejection of evolution as a factor in human affairs. The idea that human destiny is under control of the terrestrial forces of nature he regards as a mistaken and fallacious application of science to history. He protests strongly against the almost mystical significance given by some writers to climate and geographical environment as implying "some inevitable process of mechanically working development leading to inevitable results in shaping human qualities and behaviour." History, he says, is cataclysmic, and he quotes with high approval an article to this effect by Sir Charles Oman, former professor of modern history at Oxford, in the *National Review* for February, 1929.

In the history department at Oxford University the student under Professor Oman apparently had to leave his evolutionist ideas outside on the doormat for the time being. Professor Oman is quoted as saying : "Two generations have now passed since the blessed word 'Evolution' was invented, and was applied as a universal panacea for all the problems of the universe—historical no less than physical or metaphysical. By this I mean that a whole school of historians have set forth the thesis that history is a continuous logical process, a series of inevitable results following on well-marshalled tables of causes." Sir Charles Oman will have none of this. The career of mankind, he

says, has been shaped by accidents and catastrophes and by the action of dominating personalities who have deliberately provoked great movements, peaceful and warlike, which have shaped the destiny of the world.

"The great events in Human History," says Professor Elliot Smith, "were provoked by individual human beings exercising their wills to change the direction of human thought and action, or by natural catastrophes forcing men of insight to embark on new enterprises." He points out that, according to Sir Charles Oman, America would have been colonised by the Norse inhabitants of Greenland if the Black Death in 1350 had not completely destroyed these people. Eventually, the irruption of the Turks into Europe blocked the old trade routes to Asia, and led to search for a new route to the Indies. These historical incidents provided the predisposing causes for a momentous event. But it was the vision and persistence of Columbus which effected the transformation.

The importance of the individual is similarly stressed by Lord Raglan in his *How Came Civilisation?* (p. 172). "Sentimentalists," he says, "may imagine that new culture forms arise from the 'communal mind' or the 'spirit of the folk' or some such abstraction, but the fact is that new ideas can only occur to individuals and do only occur to highly exceptional individuals." Lord Raglan incidentally remarks that it is often assumed that decay is due to conservatism. But decay can occur in other ways than by standing still or going backward. "It is often less realised on the other hand," he adds (p. 172), "that decay of culture can be brought about even more rapidly by breaking away from the past; by the belief that we could and should go back to nature, shaking off the burden of tradition and all that it entails, and living and developing in the innocent freedom of primitive man. People who think like this fail to realise that man became man by getting away from nature, and that it is unnatural not merely to cook food and wear clothes, but to read and write, and even to speak. We learn these arts not from nature, but from tradition. The belief that primitive man was wiser and better than we are is really a symptom of degeneration, of 'that degeneration of the democratic theory which imagines that there is a peculiar inspiration in the opinions of the ignorant' (John Buchan, *Augustus*, p. 340)."

An outstanding feature of the diffusionist argument is the emphasis placed on individual enterprise and initiative as the source and mainspring of civilisation. Equally outstanding is the disregard of the individual in the evolutionist interpretation of history, of which interpretation the Marxian socialist materialist view of history is an offshoot. The dominant idea of evolutionist philosophy as applied to sociology and history is the insignificance of the individual as compared with society past and present. In his *Critical Examination of Socialism* (1909, chap. viii) W. H. Mallock discussed this point at length. He remarks that the modern socialists did not originate this leading idea of

theirs, but borrowed it from the evolutionists, among whom Herbert Spencer was its most systematic exponent.

Herbert Spencer in his *Study of Sociology* (p. 35) lays it down that the great man is only the "proximate originator" of changes, and that the real explanation of these changes must be sought in the "aggregate of conditions" in which he exists. Mallock points out that Macaulay in his essay on Dryden said the same thing : " it is the age that makes the man, not the man that makes the age." This idea was the mainstay also of Buckle's *History of Civilisation*. Edward Bellamy in his *Looking Backwards*, a description of a socialist Utopia which had an enormous sale half a century back, likewise asserted that "nine hundred and ninety-nine parts of the thousand of the produce of every man are the result of his social inheritance and environment." Herbert Spencer in his book quoted goes at length into demonstrating that the inventor of a new printing press just installed by the London Times was no more than its "proximate initiator," and that the press was really produced by the "aggregate conditions" of the period. This aggregate of conditions similarly produced Shakespeare's plays.

Benjamin Kidd, a semi-socialist, is noted by Mallock as helping along the good work by pointing out that various inventions have been arrived at almost simultaneously, and "thus rival and independent claims have been made for the discovery of the differential calculus, the invention of the steam-engine, the methods of spectrum analysis, the telephone, the telegraph, as well as many other discoveries." It is thus inferred that almost anybody might make these discoveries. Mr. Mallock remarks that actually the position with many inventions is that a number of men are trying to scale a peak at the same time, and it is not surprising that two or three men of exceptional ability should sometimes simultaneously reach the previously virgin summit. That anybody might have made the invention is no more demonstrated by this happening than an ascent of the Matterhorn demonstrates that all the people in the tourist hotel at the bottom could have made it. Yet this is the burden all the time of the evolutionist-socialist song—the individual is nothing, environment is everything.

Mankind is viewed in the mass in these theories. But when anything practical is needed in life it is the individual man that counts. The patient at death's door is not helped by being told that man is a great physician and having the first passer-by taken in to attend to him. A series of great frescoes to adorn a public building is not secured by information from the sociological department that great artists are the product of the aggregate of conditions : millions of men subject to this aggregate of conditions might be taken off the streets and tried in turn, and nothing result but hopeless daubs.

The point to which the evolutionist-socialist argument is directed is to show the smallness of the products which the able man can really claim as his own. Another point that it seeks to make is the common-

ness of ability, which is regarded as purely a product of the environment. Furthermore, whether the great man is a rare or a common phenomenon, his inventions and discoveries become common property. Mallock observed Mr. Sidney Webb (now Lord Passfield, the pope of the Fabian socialists) giving a practical turn to the argument. He noted Mr. Webb, discussing the question of equal pay for all, and holding that the able man has no moral right to a greater share of the product of labour than the less able worker. If one man's brains and effort are responsible for nine-tenths of the value produced, and the other man's one-tenth, they are thus each entitled to fifty per cent. Mr. Webb is quoted as saying that this proposal "has an abstract justification, as the special energy and ability with which some persons are born is an unearned increment due to the effect of the struggle for existence upon their ancestors, and consequently, having been produced by society, is as much due to society as the unearned increment of rent."

Such is evolutionist-socialist philosophy applied to economic affairs. Mr. Webb's notion is not the aberration of a person of no account. It is the idea of one of the most influential socialists in the British Empire. The same idea forms the entire theme of a big book written by another eminent socialist, Mr. G. Bernard Shaw. In his *Intelligent Woman's Guide to Socialism and Capitalism* (1928), Mr. Shaw says equality of income is the basis of socialism, and on page 341 he says, "when there is a difference between the business ability of one person and another, the price of that difference is rent," and this "rent" must be "nationalised" by equal pay for all. Duffers and loafers under socialism are thus entitled to more than they produce : able and energetic workers, on the other hand, have no moral claim to the larger or superior produce of their labour, which is an unearned increment due to accidental effects of evolution and belongs not to them but to society. On this basis the idle man owes his idleness to society, the stupid man his stupidity, and the dishonest man his dishonesty. Nobody is responsible for anything, and all connection between conduct and the natural results of it is brought to an end.

Evolutionist emphasis on the environment as the controlling factor in the living world has long coloured political thought, and particularly socialist thought. Ability is assumed to be evenly distributed throughout the community and ready to spring forth in all directions with improved environment. When we turn to the actual facts as to the occurrence of ability, we find a different story. A handy summary of the results of various lines of investigation into the subject is Mr. Eldon Moore's *Heredity Mainly Human* (1934). Mr. Moore, on one side, reviews the facts revealed as to the distribution of ability by intelligence tests of school children. These tests are designed to discover the actual intelligence of the individual as measured by the time taken to solve various ingeniously devised problems. At the other end are various enquiries into the occurrence of exceptional ability,

based on examination of the biographies of great men of history, etc.

The intelligence tests, according to Moore and Professor Terman, show that about three-quarters of the children tested are bunched together within 15 per cent. of the average, above and below; and that a third of the total tested come within 5 per cent. of average intelligence either way. About one in ten ranges from 15 to 25 per cent. above average intelligence, and no more than two or three individuals in a hundred have intelligence in excess of this. So far as they go, these tests thus suggest that the community is not supplied with vast concealed reserves of surplus ability. A further fact revealed by the tests is that, taken generally, the intelligence of the children corresponds closely to the occupational and social status of the parents. On top of this, tests of children reared under identical conditions in orphanages, etc., and many of whom have never known their parents, are stated by Mr. Moore to show just the same distribution of intelligence according to the occupational status of the parents as do home-reared children. This indicates that heredity and not environment is the dominating factor, and that what the scientists have noted about living organisms generally applies with equal force to human beings. It further indicates that whatever its other defects, the social and economic organisation under which we have lived has been efficient on the whole in allowing ability to find its level.

Turning now to the inquiries into the occurrence of exceptional ability, we find Mr. Moore's analysis of a number of different investigations showing that exceptional ability runs very largely indeed in strains. For example, one of the first of these investigators, Sir Francis Galton, in his *Hereditary Genius* (1869) made a list of 451 greatest men of all time in eight different fields of endeavour. He then discovered that these 451 men had sprung from a mere 300 families, which families had produced a further 562 men of eminence. Nearly a third of the 451 greatest men had eminent fathers, whereas only about one person in four thousand in the general population had a father reaching the degree of eminence adopted in the inquiry.

Another inquiry, made by Gunn, selected from the thirty thousand biographies of the *British Dictionary of National Biography* some 200 greatest men in the period from 1500 to 1900. Of these 200 greatest men, 21.5 per cent. had fathers with biographies also in the Dictionary, 30 per cent. had brothers, and 64 per cent had sons. Only 31.5 per cent. had no such kin with dictionary biographies. In some walks of life family influence of course, can do much in helping mediocrity along to prominence. Family influence, however, cannot make a man into a great or even eminent poet, artist, musician, philosopher, or scientist, and Mr. Moore notes that the great men in these spheres had just as many eminent relatives as had those in such careers as the law, the army, public life, etc., where influence could operate.

Both lines of investigation as to the occurrence of ability in human beings thus demonstrate heredity as the dominating factor. On top of this Mr. Moore in his book (p. 204) notes another influence co-operating to marked extent. He remarks that "artists, musicians, scientists, and poets beat their illustrious brethren hollow in the number of eminent sons; and they are the men whose gifts are most individual, who live and work at home, and make the closest contact with their children. A pedigree examination which cannot be reduced to figures, further confirms me in concluding that the one environmental circumstance of material importance in these highest grades of achievement is—Family Tradition."

Both lines of investigation are in complete harmony with the report of the scientists that a living organism is what it is by virtue of the germ plasm inherited from its parents. Added to this we have the mass of matter the diffusionist anthropologists have been assembling, all pointing to civilisation as founded on the discoveries and initiative of a very small number of exceptional men. The inference is that a social and economic organisation which gives free play to initiative and ability wherever found is the type of organisation which is likely to result in the highest civilisation. Evolutionist philosophy as applied to politics has tended to exactly opposite conclusions, and is the basis of present-day ideas of a completely controlled economy with everything regimented from above, and with little or no room for initiative from below.

As like tends to produce like, and the different kinds of degrees of ability run largely in strains, it follows that a social organisation under which the son slips easily and naturally into his father's place is one most likely to have the highest degree of efficiency and stability—provided that at the same time the organisation has sufficient flexibility to enable exceptional ability at all times to push through to its level. Furthermore, what Mr. Moore remarks about the influence of family tradition applies much more widely than to artists, musicians, and the like. It suggests strongly that the family business undertaking with son succeeding father is likely to be about the best type of undertaking with highest traditions and efficiency. Under present-day ideas this type of business appears to have been specially selected by those in authority for extinction. The existing financial system has tended for a long time to entrap such undertakings into debt and then hand over their mangled remains for incorporation in some financier-controlled combine. Planning and control ideas further accelerate the process.

Summed up, the indications are that the application of political programmes based on evolutionist philosophy is more likely to plunge our civilisation into the stagnation and decay in which every other civilisation has sunk than to lift it to higher levels. In this, as in every sphere it touches, the false theory of evolution is potently at work as an agent of disintegration.

Chapter XII

CONCLUSION

SIX years ago a small group of scientific men and others launched an Evolution Protest Movement in London. In a circular they issued it was pointed out that subversive doctrines were undermining every side of national life, and that this pointed to some fundamental fallacy operating on the national mind as a whole. This fallacy they believed to be the acceptance as true of the theory of evolution and its employment as the spring of action in all spheres. The reader is now in possession of the necessary material for forming his own opinion as to the soundness of this contention. He has viewed the small substratum of fact on which this top-heavy theory has been erected. He has also traced the peculiar origins of the theory : has seen how observed facts on which scientists are now dwelling run in flattest contradiction of it: and has glanced briefly over some of its principal fruits in the spheres of theology, morals, politics and economics.

The outstanding fact about the evolution theory is that it was a revival in the middle of the nineteenth century of ideas which had formed part of the intellectual ferment leading to the French Revolution. The propagation of evolution in the universities of Britain and elsewhere has been accompanied by an exactly similar growth of atheistical and revolutionary thought to that preceding the upheaval in France a century and a half ago. The weight of evidence throughout as we have seen, is that evolution is a theological and not a scientific product. If belief in God is rejected it becomes necessary to provide some theory as to the origin of life. The theory thus provided is next bolstered up with such material as can be scraped together, in great part by reckless distortion of observed fact, and then in turn becomes the means of further propagation of atheism. The result is that immense numbers of people are swung adrift from their bearings, social tradition is weakened, and upon one set of false assumptions an endless series of further false assumptions is erected in every direction. The entire theory and its offspring are products of the forces of darkness and not of light.

Modern evolutionist thought without doubt had its birthplace in the atheistical and revolutionary philosophy of eighteenth century France. Nothing is more mistaken than to regard the French Revolution as the spontaneous uprising of an oppressed people. All the

evidence points to its having been a most carefully prepared event by men of great, though diabolical, intelligence in whose hands the mob were mere pawns. One of the greatest historians of the nineteenth century was Lord Acton, and he wrote of the French Revolution: "The appalling thing is not the tumult but the design. Through all the smoke and fire we perceive evidence of calculating organisation. The managers remain studiously concealed and masked, but there is no doubt about their presence from the first" (vide. *The Cause of World Unrest*).

Many writers, such as Mrs. Nesta Webster in her *World Revolution*, and the *London Morning Post* in its book of reprinted articles of 1920, *The Cause of World Unrest*, have gone into the nature of the hidden forces behind the French Revolution and other revolutions. The indications are that there has existed down through the centuries from ancient days a body of thought opposed to the whole World Order, and from time to time inspiring bloody upheaval. In its broadest aspects the subject was discussed by Professor Gilbert Murray of Oxford in his essay on Satanism and the World Order published in 1920. Professor Murray pointed out that both by thinkers and writers of pagan Greece and later on by those of Christendom the belief has been held that there exists a Cosmos or Divine Order : that what is good is in harmony with this Order, and what is bad is in discord against it. Opposed to this, there has also existed a belief that the World Order is evil and a lie. After noting that an appalling literature of hatred is in existence, dating at least from the eighth century B.C., Professor Murray added : "The spirit I have called Satanism, the spirit of unmixed hatred towards the existing World Order, the spirit which rejoices in any great disaster to the world's rulers, is perhaps more rife today than it has been for a thousand years. It is felt to some extent against all ordered Governments, but chiefly against all imperial Governments, and is directed more widely and intensely against Great Britain than against any other power."

This idea is exactly that which the late Lord Sydenham, a former Governor of various parts of the Empire, expressed in his autobiography *My Working Life* published in 1927 : "That the main bulwark of law and order and of Christianity should be laid low by any and every means is, therefore, the main object to which all revolutionary forces are now directed. The rest would be easy. The Union Jack is the most formidable enemy of the Red Flag."

A remarkable book first published in 1935 takes the view that the basic conflict in the world is between Supernaturalism, in which all power and authority is viewed as derived from God on high, and Naturalism, in which all power is viewed as derived from man below. The latter view leads to deification of man, which was the essence of the revolutionary philosophy of Rousseau : and under it no eternal principles of right and wrong exist, and murder—for example—ceases to be a crime if a victorious majority at an election so decrees. This

book, *The Mystical Body of Christ in the Modern World* by the Rev. Dr. Denis Fahey, professor of philosophy and Church history at Blackrock College, Dublin, points out that having rejected Christ, the Supernatural Messiah, the Jews thereafter looked forward to a Natural Messiah and the establishment of a World Order under the Jewish nation. In this author's view all who do not fully accept the Supernatural Messiah are inevitably drawn, consciously or unconsciously, into the army which is working for the advent of the Natural Messiah. This line of thought is similar to the idea expressed by a Jewish author, Mr. Magnus Hermansson, who in his book, *Where Now, Little Jew ?* contends that the Jewish question will only be solved by both Jews and Christians adopting Christianity, a view which was not shared by the American Hebrew of May 20, 1938, in recommending both Jew and non-Jew to read Mr. Hermansson's book. This again takes us back to Lord Bryce's diagnosis that the trouble with the world is that the nations have professed Christianity without practising it.

It is at least certain that the revolutionary upheavals have not made the world a better place to live in. Dr. Fahey in his book (p. xxi) quotes a spokesman at the Assembly of the French Grand Orient in 1920 as saying: "Every revolution had for object to bring about universal happiness. When our ancestors proclaimed the principle of Liberty, Equality, and Fraternity, they aimed at realising this state of happiness. After one hundred and thirty years we see the result of their efforts, and they are not famous. Of Liberty, there is not a shred left; of Equality, there is scarcely a trace; of Fraternity, there has never been a sign."

It has been remarked that any human society will always and inevitably form itself into the shape of a pyramid, and that if the pyramid is overturned the units in the human ant-hill will immediately and necessarily build up another pyramid without a moment's delay in order to preserve their social existence. All that the people ever get out of a revolution is a change of masters. They may exchange a Tsar for a Stalin and an aristocracy of nobles for an overlordship of Bolshevik commissars, but they will never escape from the pyramidal organisation of their social machinery.

This point was discussed by Nicholas Berdyaev in his essays on *The Russian Revolution* (1931). The author was an eye-witness of the Russian Revolution up to 1922 as a Professor in the University of Moscow, but then abjured Bolshevism and all its works and went into exile. He points out that atheistic communism is Christianity turned inside out, and either Christians must put their Christianity into practice or see the world reorganised in the name of a godless collectivity. Christianity, he says, is the only basis on which a solution can be found for the painful conflict between personality and society, which communism resolves in favour of society completely crushing out personality. "And," Berdyaev adds, "it is also the only basis on which a solution can be found for the no less painful conflict between the

aristocratic and democratic principles in culture, resolved by communism in favour of completely overthrowing the aristocratic principle. On a basis of irreligion, either aristocracy oppresses and exploits democracy, or democracy vulgarises the souls of men, lowers the cultural level, and destroys nobility."

"Good which does not work itself into life, which has turned into conventional rhetoric so as to hide actual evil and injustice," says Berdyaev, "cannot avoid raising revolt, and righteous revolt, against its own self. The Christians of our bourgeois epoch of history have created most painful associations in the minds of the working class; they have not done Christ's mission to the souls of the oppressed and exploited . . . The situation of the Christian world face to face with communism is not merely that of the depository of eternal and absolute truth, but also that of a guilty world which has not practised the truth it possesses, but rather turned traitor to it. Communists practise their truth and can always oppose that fact to Christians. Of course, Christian truth is much harder to carry out than communist truth. Much more, not less, is demanded of Christians than of communists, of materialists. And if Christians carry out less, and not more, Christian truth itself is not to blame." In Berdyaev's view, either the world must be renewed "in the name of God and Christ, of the spiritual principle in man, or in the name of divinised matter, in the name of a divinised human collectivity, in which the very image of man disappears and the human soul expires."

An enormous background lies behind the theory of organic evolution, our present subject. It has been noted that when Darwin published his *Origin of Species* he had apparently by no means fully convinced himself of its soundness. The fact of the matter is that after reflecting on the subject for over twenty years Darwin finally rushed into print in order to avoid being forestalled. Once his book had appeared and been acclaimed he cast all doubt aside and upheld his theory. Before publication all was uncertainty in his mind. For instance, in 1856 one finds him writing thus to his closest friend, Hooker, the botanist: "It is a melancholy, and I hope not quite true view of yours that facts will prove anything ... I do not fear being tied down to error, i.e., I feel I should give up anything false published in the [proposed] preliminary essay, in my larger work; but I may thus, it is very true, do mischief by spreading error, which I have often heard you say is much easier spread than corrected" (Darwin's *Life and Letters*, ii, 70).

Recent events remind us that in the public schools of New Zealand evolution and Christianity are very differently regarded. In bygone years a number of leading atheists, some of whom came to occupy high positions, took advantage of the dissensions of the Christian sects cleverly to engineer a movement to de-Christianise the schools as a step to universal de-Christianisation.

In October, 1940, the newspapers recorded the Director of Education as officially notifying the "Wellington Education Board that its decision to open the schools in its district by recital of the Lord's Prayer was entirely unlawful and of no effect. The Board, however, was reported as adhering to its decision. Turning to the Government Syllabus of Instruction for Public Schools issued in 1937—which repeated what had been there for many years—one discovers that whereas the doors of the State schools are kept tight shut against the eternal truths of Jesus Christ they are flung wide open to the manifold errors of Charles Darwin. The highly potent de-Christianising theory of organic evolution is laid down as one of the subjects to be taught to schoolchildren under the compulsory education system of New Zealand. Under the heading "Nature Study and Elementary Science" the syllabus says:

"The material for this subject is practically inexhaustible in that it comprises the whole of the animate population of the world together with the physical setting into which the many organisms have been born, and in which they have fought and are fighting their way upward to higher and yet higher stages of development. Ultimately Nature-Study should aim at enabling Man to understand and appreciate to some extent the scale of the universe and his own place in it" (pp. 42-3).

". . . The scheme should provide for progressive treatment of the subject as the pupils advance in their school life, and in the higher classes the pupils should gain some definite ideas of the principle of evolution" (p. 43).

In passing, it may be noted that the New Zealand public school syllabus is not altogether up-to-date in its idea of evolution. It visualises living things fighting their way in the struggle for existence to "higher and yet higher stages of development." Darwin, it is true, concluded the *Origin of Species* with a picture of "progress towards perfection" by natural selection. Modern evolutionists are now satisfied to discover grounds for imagining evolution in any direction, upwards or downwards, sideways or forwards, purposeful or purposeless. In the Oxford University book on *Evolution* (p. 125) we find Professor A. M. Carr-Saunders writing as follows :

"The course of evolution has generally been downwards. The majority of species have degenerated and become extinct, or what is perhaps worse, have gradually lost many of their functions. The ancestors of oysters and barnacles had heads. Snakes have lost their limbs and penguins their power of flight. Man may just as easily lose his intelligence."

This learned professor is director of the London School of Economics, founded by Mr. Sidney Webb and his socialist Fabian Society and expanded with money obtained through Lord Haldane from Sir Ernest Cassel, international financier, which endowment

Lord Haldane told Mr. J. H. Morgan, K.C., had been provided "to raise and train the bureaucracy of the future Socialist State (vide *Quarterly Review*, January 1929). In addition to supervising this undertaking, Professor Carr-Saunders in the essay quoted above reveals himself as possessed of plans for human evolution. He says the "less well-endowed" sections of the population are breeding too freely today and are far ahead of the "better endowed" sections. This evil can, in his opinion, be cured "once a cheap, efficient and simple contraceptive is available." This will enable the poor to behave the same as the "better endowed" do. Professor Carr-Saunders's idea is that when the lower orders are cured of the habit of having children the upper-crust can be encouraged to have them on patriotic grounds and upward evolution can then begin—that is, presuming that no other nation happens to take a fancy to possessing the depopulated country in the meantime. The big immediate step in human evolution, according to this professor, seems to be get the lower classes into the abortion parlours, etc., without delay.

While this book is in the press further comment on the communistic leanings of New Zealand intellectuals comes to hand in the December, 1940, issue of a little Auckland publication, *View*. Some leading lights of Auckland University College had protested against the efforts of the Auckland Education Board to keep the primary schools clear of communistic teachers, and *View* said : "Whatever may be the value ... of the operations of the University in the field of natural science, the prevailing trend of its influence in the sphere of human affairs—the 'social sciences'—is somewhat worse than worthless. Its deliverances fall below the commonsense of the average man. This does not apply to New Zealand alone, but to most of its sources of inspiration and recruitment overseas."

If *View* will dig deeper still it will find that the essential worth-lessness of present-day university teaching is that natural science has been made a vehicle for atheistic and materialist propaganda per medium of the imbecilities of the evolution theory. The modern university college is a machine for de-Christianising and demoralising the community.

APPENDIX

SCIENTISTS WHO REJECT EVOLUTION

Evolutionists commonly make statements leading the casual reader to believe that all scientists accept evolution as established fact. If these statements are attentively read, however, almost all of them will be found to contain an unobtrusive qualification. For instance, in the current fourteenth edition of the Encyclopaedia Britannica the article on evolution says that "among competent biologists and geologists there is not a single one who is not convinced," etc. This means no more than that in the opinion of the writer of the article the scientists who reject evolution are not "competent." Similarly, when the council of the American Association for the Advancement of Science in 1922 proclaimed by resolution that "the evidences in favour of the evolution of man are sufficient to convince every scientist of note in the world," they are likewise merely throwing dust in the public's eyes. All that the announcement means is that this scientific body is blacklisting the scientists who reject evolution and is refusing to regard them as of "note." This strain runs through evolution from top to bottom.

The following list of scientists who have definitely rejected the entire theory of organic evolution is compiled from a pamphlet by Lieut. Col. L. Merson Davies, from a leaflet issued by the Evolution Protest Movement, and from names mentioned in Mr. Douglas Dewar's books :

PHYSICISTS

SIR J. AMBROSE FLEMING, F.R.S.

President of the Victoria Institute and Philosophical Society of Great Britain, has been awarded many medals and honours by various scientific societies; inventor of the thermionic valve making radio broadcasting possible; has flatly rejected the entire theory of evolution in numerous addresses.

Louis TRENCHARD MORE

Professor of physics, University of Cincinnati, U.S.A., an expert physicist who has ridiculed evolution in his *Dogma of Evolution* (1925).

ZOOLOGISTS

ALBERT FLEISCHMANN, GR.

Professor of Zoology and Comparative Anatomy in the University of Erlangen, Germany, a scientist of European reputation: roundly attacked evolution in 1901 in his book, *Die Descendenztheorie* (1901), and remained completely unmoved by the abuse heaped upon him; in a letter to Col. Merson Davies in 1931 said : "I reject evolution because I deem it obsolete; because the knowledge, hard-won

since 1830, of Anatomy, Histology, Cytology and Embryology, cannot be made to accord with its basic idea"; attributes persistence of evolution to "mankind's love of fairy tales."

L. VIALLETON

Professor of Zoology, Anatomy, and Comparative Physiology at Montpellier University, France, member of the Royal Academy of Science of Turin (which marks him as a leading European scientist); attacked evolution in his *Morphologie Generate* (1924); his book *L'Origine des Etres Vivants* appeared in 1929 and ran through fifteen editions by 1930, but being strongly against evolution no English translation ever appeared.

E. G. DEHAUT

French biologist and palaeontologist, author of numerous scientific works, professes his belief in intervention of creative power to produce new types.

DOUGLAS DEWAR, F.Z.S.

An authority on Indian birds, rejected evolution in 1931; and has since written the following books condemning it: *Difficulties of the Evolution Theory*, *More Difficulties of the Evolution Theory*, *Man, a Special Creation* and *A Challenge to Evolutionists*: the latter being a report of his share of a debate (as representative of the Evolution Protest Movement) with Mr. J. J. McCabe (representing the Rationalist Press Association), who threatened legal proceedings if his part of the debate were published.

GEORGE BARRY O'TOOLE

A Catholic lecturer or professor of biology; author of *The Case against Evolution*, published by the Macmillan Co., New York, in 1931.

VINCENZO DIAMARE

Director of the Institute of Osteology and General Physiology in the University of Naples, rejected evolution in a book published in 1912.

D. CARAZZI

Another Italian biologist quoted by Vialleton, rejected evolution in his *Il Dogma dell' Evoluzione*, 1920.

GIULIO FANO

Director of the Institute of Osteology and General Physiology in the University of Rome; attacked evolution in his book, *Brain and Heart*, of which an English translation was published by the Oxford University Press in 1926.

BOTANIST

JOHANNES REINKE, GRR.

Emeritus Professor of Botany at Kiel University, Germany; has published many papers attacking evolution; he and Professor Fleischmann, hold rank in Germany equivalent to about that of Privy Councillors in England.

GEOLOGISTS PAUL LEMOINE

Past president of the Geological Society of France and director of the Museum d'Histoire; describes evolution as "a sort of dogma in which its priests do not believe, but which they uphold before the people" (vide Dewar's *More Difficulties of the Evolution Theory*).

W. BELL DAWSON, D.SC., F.R.S.C.

A well-known Canadian geologist and a Laureate of the French Academy of Sciences; like his father, Sir J. W. Dawson, F.R.S., former principal of McGill University, Canada, he is a determined opponent of evolution; author of *The Bible Confirmed by Science*, and various pamphlets including *Is Evolution True ? No 1 to 5*.

G MCCREADY PRICE

Professor of Geology, and author of *The Phantom of Organic Evolution*.

LT.-COL. I. MERSON DAVIES, F.R.S.E., F.R.A.I., F.G.S.

A palaeontological research worker specialising in foraminifera, who states that he is constantly face to face with facts regarding the fossil faunas of the past which he is unable to reconcile with the theory of evolution.

ARCHAEOLOGIST

SIR CHARLES MARSTON, F.S.A.

Vice-chairman of the British School of Archaeology in Egypt, member of the executive of the Palestine Exploration Fund, and collaborator with Professor Garstang in the excavation of Jericho; author of *The Bible is True*.

The above list is not exhaustive, but it is sufficient to show that when evolutionists state that no competent biologists or geologists, or no scientists of note, disbelieve in evolution they are not telling the truth. The information at hand does not disclose the religious beliefs of all the above-listed scientists. Professor Fleischmann is stated to be an agnostic, and Professor L. T. More appears from his remarks to have no respect for the authority of the Bible. Sir Ambrose Fleming, Sir Charles Marston, Professors Reinke and McCready Price, Dr. Bell Dawson, Lieut.-Col. L. Merson Davies, Mr. Douglas Dewar, and the Rev. G. Barry O'Toole are listed as of Christian belief. There are many other scientists who do not believe in evolution but have not so far publicly rejected it.

A. N. FIELD

THE EVOLUTION HOAX EXPOSED

(FORMER TITLE: WHY COLLEGES BREED COMMUNISTS)

This most important book should be read by everyone who considers himself educated, for it exposes as non-existent the supposed evidence to support the theory of evolution. Moreover, it gives extensive scientific proof that species reproduce themselves exactly and for as long as we have evidence of their existence. Because evolution is generally accepted in the educational world, every student and every teacher and professor has a professional obligation to examine the thesis of this work. The author's original title, *Why Colleges Breed Communists*, gives ample reason; the subject involves our understanding of how life comes to be. A fundamental mistake in so basic a concept can lead to all manner of error and abuse in the scientific, philosophic, theological and social spheres.

ALL THESE THINGS

By

A. N. FIELD

Again, the devil taketh Him up into an exceeding high mountain, and sheweth Him all the kingdoms of the world, and the glory of them ;

And saith unto Him, All these things will I give thee

S. Matthew iv; 8, 9.

VOLUME I

A. N. FIELD

P.O. BOX 154, NELSON, NEW ZEALAND

1936

PREFACE

THIS book is an assemblage of matter from many different sources exhibiting the nature and interconnection of certain world forces operating in many lands and making for the overthrow of the existing social order and the disintegration of patriotism, religion, and morality.

These influences are felt almost every day by every intelligent person. It is commonly assumed that the changes in opinion, conduct, and institutions which are taking place are, on the whole, changes for the better: that they represent progress and evolution from a lower to a higher and freer form of life. It is further widely assumed that they are a spontaneous growth.

Such was the author's own view until he was led some years ago to investigate the personnel behind certain great financial institutions. The facts encountered at first appeared incredible to him, but the further he went the more complete was the confirmation of their truth. The matter then collected was published in 1931 in a former volume *The Truth about the Slump*.

Since then a large amount of matter has come to hand showing the operation of the same forces in other fields. A library of books might be collected dealing with different aspects of the subject, but as there appears to be nothing in the nature of a general conspectus covering the whole

field it seemed that something of this kind might serve a useful purpose. The material collected to date has been drafted into twenty-eight chapters, of which the first seven appear in the present volume. It is hoped to publish the remainder of the material in later volumes completing the work.

The present volume is self-contained, but it is necessary to remind the reader that what is here presented covers only a small portion of the ground, touching on certain leading events during the past quarter of a century from 1912 to the present day. To bring the whole picture into perspective it is necessary to range much further afield.

Culled from a great variety of sources, the matter brought together is of varying degrees of validity. Writing in New Zealand, far away from the centre of events and the great libraries of the world, the author has had but limited opportunity of checking his matter to the full. He has, however, endeavoured to make some check of the general accuracy of every source used. These sources are named throughout, and the reader is thus in a position to proceed with independent check and verification on any point desired. In general, the further the research has been carried the more completely have the main facts been confirmed and amplified.

A great part of the activities described traces back to Jewish origin. This fact is quite inescapable; and it is quite impossible to arrive at any true understanding of the matters dealt with if it is ignored. At the same time it is necessary to remember that although certain Jews, or groups of Jews, are found engaged in activities detrimental to the interests of other races, it is unjust to jump to the conclusion that all Jews necessarily support or sympathize with the doings of these Jews. A fair-minded man should at all times be on his guard against drawing wide and sweeping inferences far beyond what any evidence will support. The truth can only be got at by proceeding on from fact to fact.

All that the author asks is that the reader, whatever his race, should temperately and calmly consider whether the unchecked operation of the forces herein described is likely to make the world a better or a worse place. A great aggressive power is at work in the world boring, undermining, and overthrowing. Every effort is made to prevent knowledge of what is happening from reaching the people. Only by that knowledge can the nations avert the dangers threatening them.

The publication of the remainder of this work will depend upon the reception with which the present volume meets. Readers desiring to secure copies of the second volume, or further volumes, are therefore invited to notify the undersigned.

A.N. FIELD.
Nelson, New Zealand
July, 1936

Again, the devil taketh Him up into an exceeding high mountain, and sheweth Him all the kingdoms of the world, and the glory of them; And saith unto Him, All these things will I give thee....
—St. Matthew iv; 8, 9.

VOLUME I

Chapter I STRAWS IN THE WIND

1. SOME NEW ZEALAND HAPPENINGS

THE story to be told in these pages deals with many strange and enigmatical events very far away from New Zealand. At the same time in looking around at our own affairs in this country one notices certain things, some of no great moment and others of more importance, but all tending to raise a question in the mind as to whether they came about purely by chance.

Two years or so ago the silver coins in circulation in New Zealand were replaced by a new nickel coinage of lower intrinsic value, corresponding to the lower value which had been given to the New Zealand bank-note pound. When the new coins appeared it was noticeable that the inscription was different from that on the old coins. The old coins in abbreviated Latin set out the Royal style and titles: “George V, by the Grace of God, of Great Britain, Ireland, and of the British Dominions beyond the Seas, King, Defender of the Faith, Emperor of India.” The new coins simply bore the legend: “George V: King Emperor.” His Majesty on these coins was no longer King “by the Grace of God,” nor was he “Defender the Faith.” All reference to the religious aspect of the Monarchy had been removed from the coins. There was no necessity for this, for the design on the reverse with the words “New Zealand” made the coins quite distinctive. A trifling thing, the reader may say. Nevertheless, a significant trifle. Just a straw in the wind. A needless thing done. The person who did it must have acted from either one or other of two motives. He must either have regarded the references to the religious aspect of the Monarchy as of no importance; or they must have been definitely repugnant to him, and he

took the opportunity of quietly removing them. Whoever did this, moreover, did it at a time when a world campaign against the Christian religion is proceeding. In the midst of that campaign somebody needlessly removed from the coins of New Zealand the reminder that the British Monarchy rests on a definitely religious basis: that our King is not fully vested in his Kingship until he has been consecrated to God, and has pledged himself to maintain the Christian faith. A New Zealander has only to pull a sixpence out

of his pocket to have evidence in his hand that whoever designed his country's coinage was without interest in either the Grace of God or the Defence of the Faith.

Some time ago in looking over a list of officials in control of the people of New Zealand — the most British of the Dominions as it is often called — the author noticed that half a dozen key positions were at that time filled by persons with names indicative of non-British ancestry of various kinds. The officials in question were all of the highest character, and there were no grounds for raising any shadow of doubt as to their attachment to British interests. Nevertheless in a community where the percentage of persons of foreign extraction is small, it was surprising to find a number of high positions simultaneously occupied by officials bearing the sort of names one might expect to see if the League of Nations had sent an international delegation from Geneva to govern the country. Was it purely by chance that these posts happened at this time to be so filled? Or was it possible that a dash of foreign blood carried with it much greater ability than unmixed British and so brought its possessors automatically to the top? Or was it by any means possible that somewhere in the background some subtle internationalist influence came into play? These questions can only be stated. They are stated because curious internationalist leanings have been apparent in other directions in New Zealand, and because one notices in other parts of the Empire from time to time the raising of questions about the gravitation to high office of persons whose antecedents are not of an entirely unmixed British character, almost as though it were desired gradually to accustom British people to being ruled as a matter of course by men of other race than their own.

* * * *

In 1930 two emissaries of the Bank of England visited New Zealand to advise its Government on monetary matters.

Their names were not distinctively British. One was Sir Otto Ernst Niemeyer; the other was Professor Theodor Emanuel Gugenheim Gregory, a member of the teaching staff of the London School of Economics, a nursery of Socialism, as we shall see in the next volume, and staffed largely by teachers bearing names indicative of foreign extraction. Sir Otto Niemeyer was a functionary at the British Treasury from 1906 until 1927, holding the post of Controller of Finance from 1922 to 1927. In the latter year he joined the staff of the Bank of England. Professor Gregory seems to have been detached temporarily from the staff of the Socialist institution to accompany him to Australia and New Zealand as “economic adviser.”

Sir Otto Niemeyer made a report advising the Government of New Zealand to establish a private corporation to control the volume of currency and credit in the country. He also proposed that this privately owned central reserve bank should be given a permanent monopoly of all the Government’s “money, remittance, exchange and banking

transactions.” He further proposed that the Government should find a million sterling for the working capital of the bank, in respect of which sum it would hold no shares and have no voice in the management; and that half a million should be obtained by the issue of shares to the public, the holders of such shares to be the owners of the bank. In the original Bill as introduced it was left open to foreigners to own the bank, though only shareholders who were British subjects resident in New Zealand had

votes at bank meetings. Furthermore, the share list was not open to inspection and ownership of the institution was thus secret. It was not easy to see what advantages the Government was to gain from an institution set up as recommended in this report. Sir Otto Niemeyer certainly pointed to no outstanding benefit to the people of New Zealand. The terms on which the Government banking account was secured were distinctly unfavourable terms. The bank was given a monopoly of the account; the Government was given no right to so much as a pennyworth of accommodation from the bank; the bank might give accommodation to a limited amount if it chose, but need not if it did not so choose. No private concern would dream giving a monopoly of its banking account on such terms, nor would any private person ever consider finding two-thirds of the capital for any venture without having a voice in its control. It was a very one-sided arrangement in every aspect.

When the Reserve Bank Bill was before Parliament in 1933 an amendment of a quite ineffective nature was inserted giving the Government representation on the board of the bank. Of the nine members three were to be Government nominees; but once appointed even these minority representatives were not to be amenable to Government control, for they held office for five years and the Government was powerless to displace them during that time if dissatisfied with their conduct.

Another amendment was made by Parliament at the instance of a private member, Mr. R.A. Wright. This provided that the shares should be issued only to British subjects ordinarily resident in New Zealand. It is to be assumed that the original draft permitting foreign

ownership was not so framed without reason. To gain light on this point the international origin of reserve banking requires to be considered.

2. INTERNATIONALISM IN EXCELSIS

The parent of the new model central reserve banks is the United States Federal Reserve Board and its twelve regional Federal Reserve Banks set up about six months before the European War broke out. These banks are privately-owned institutions with very complete control over the volume of currency and credit in the United States, and thus over the prevailing level of wages and prices. The principal prime mover in creating the Federal Reserve system was the late Mr. Paul Warburg (1868-1932), who with his brother, Mr. Felix Warburg, was a partner in the international banking-house of Kuhn, Loeb and Company, New York. The head of that firm at this time was Mr. Jacob H. Schiff (1847-1920). According to the Jewish Encyclopaedia the Schiff family is the oldest contemporary Jewish family of which there is record, tracing its ancestry back to 1370. In "All in a Lifetime" (Heinemann, 1923), the memoirs of another eminent Jew, Mr. Henry Morgenthau, Senior, formerly United States Ambassador to Turkey,

Mr. Schiff was referred to as “the much beloved leader of the Jews.” He was born in Frankfort- on-the-Main, where his father was a broker for the Rothschilds. In America he built up and controlled enormous railway, telegraph and telephone and innumerable other combines. He was decorated by the Mikado for financing Japan in her war against Russia, and much matter has

been printed tending to show that he financed Russian revolutionaries freely.

Mr. Paul Warburg was brother-in-law to Mr. Schiff, and was also a Jew of German birth, becoming naturalized as an American citizen in 1911, three years before the war. His brothers conduct the powerful German banking-house of M. Warburg and Company, Hamburg, financing the German shipping industry and controlling the Hamburg-America and North German Lloyd lines. Herr Max Warburg, head of this banking-house, played an important part in German politics, particularly at the time the Kaiser fled to Holland. Dr. Carl Melchior, a partner in it, was one of the five German delegates-in-chief at the Peace Conference at Versailles, and in later years was prominent in the founding of the Bank for International Settlements, the central bank of the central banks established in Switzerland, which has been internationalized in peace and war alike, pays no taxes, and is above and beyond all law. Provision was made in the New Zealand Reserve Bank Act for our reserve bank to join up with the Bank for International Settlements (B.I.S.). A message from Basle, Switzerland, published in the London "Times" of April 9, 1934, in reporting a meeting of this institution, said: "The newly-established [Reserve] Bank of Canada and Bank of New Zealand are empowered by their

Governments to buy B.I.S. shares and to make deposits at the bank as soon as the stabilization of the respective currencies will allow." This shows that these reserve banks were established as part of the network of an international money trust.

Of the war-time activities of Mr. Paul Warburg, promoter the Federal Reserve, we find Sir Cecil Spring-Rice, British Ambassador to the United States from 1912 to the end of 1917 writing as follows under date of November 13, 1914: "He practically controls the financial policy of the administration, and Paish and Blackett had to negotiate with him. Of course it was exactly like negotiating with Germany. Everything that was said was German property." In various books on war-time espionage the Hamburg-America offices in New York are referred to as the centre of German espionage in the United States. In a pamphlet published by him in 1932 ("A State Currency: to Hell with Wall Street"), Mr. George W. Armstrong, president of the Texas Steel Company, printed what he said was the United States Naval Secret Service report on Mr. Paul Warburg under date of December 12, 1918. As given by Mr. Armstrong this ran in part as follows: "Warburg, Paul ... handled large sums furnished by Germany for Lenin and Trotsky; subject has a brother who is leader of the espionage system (of Germany)." The allegations as to the participation of Messrs. Schiff and Warburg in the financing of the Russian revolution will be dealt with later. Mr. McAdoo, President Wilson's son-in-law and Secretary of the Treasury during the war, was a former partner with Mr. Warburg, and the "Dictionary of National Biography" records that the late Sir Ernest Cassel, the Jewish friend and financial adviser of King Edward VII, was associated in former years with Mr. Jacob Schiff in effecting some of the great American railway combines in which his firm

specialized. The authorities for the foregoing statements (where not given above) will be found in the author's previous book "The Truth about the Slump."

As to the mode of operation of the great American money-controlling machine established under the above auspices, we have the fact that it was created for the ostensible purpose of

preventing financial crises, and there have been greater and more violent crises since it was established than were ever previously known. Professor J.R. Commons, of the University of Wisconsin, testified in evidence before the United States House of Representatives Banking and Currency Committee in 1927 that a member of the Federal Reserve Board had told him that the great inflation of 1919 was deliberately created by the Federal Reserve Board. Minutes of a secret Federal Reserve conference of May, 1920, ordering immediate contraction of credit have been freely quoted in Congressional documents as direct evidence of the cause of the depression which brought disaster all over the world at that time. Former Senator Robert L. Owen, who as chairman of the Senate Banking and Currency Committee piloted the Federal Reserve Bill through the Senate in 1913, testified before the House Banking Committee on March 18, 1932, that the great world depression beginning in October, 1929, was brought about by deliberate contraction of credit by the Federal Reserve system, specifying in detail the actions which led to the disaster. The allegations as to the deliberate expansion and contraction of currency and credit by the Federal Reserve system will be examined in Chapter V.

Soon after the war was over the international financiers decided that the time was ripe to establish reserve banks all over the world. Whatever other people might think of the Federal Reserve system in the United States, it satisfied the financiers. In 1922 there was held a great international conference at Genoa at which Herr Walter Rathenau, the Jewish Foreign Minister of Germany, surprised the world by announcing that Germany had decided to recognize the Bolshevik Government of Russia, being the first country in the world to do so. Simultaneously another conference was sitting in Genoa attended among others by Mr. Montagu Norman, Governor of the Bank of England, the Governor of the Bank of France, the Governor of the Federal Reserve Bank of New York, and other international bankers. This conference resolved that central reserve banks should be set up in all countries where they were not already in existence. This work was thereafter steadily proceeded with and such banks have been established throughout almost the whole world.

A prominent part in the establishment of these banks was played by Mr. Montagu Norman, Governor of the Bank of England. In "Montagu Norman, a Study in Financial Statesmanship" (Kegan, Paul, Trench, Trubner, 1932), Mr. Paul Einzig, editor of the London "Financial Review," tells us that Mr. Norman "raised central banking after its early haphazard growth to a scientific system." In this he was "assisted by able and experienced experts such as Sir Otto Niemeyer and Mr. Siepmann." Further, "the names with which the elaboration of these (central bank) statutes was closely associated are those of Sir Otto Niemeyer and Sir Henry Strakosch."

In passing it may be noted that according to matter in Lieut.-Col. A.H. Lane's book, "The Alien Menace" (1932), Baron Georges Strakosch von Feldringen of Vienna is nephew to

Sir Henry Strakosch, who is listed as Jewish in the “Fascist” of June, 1935.

Of the doings of this internationalist picnic party, Mr. Einzig, conductor of London’s “Financial

Review,” proceeds to tell us that: “Another condition on which Mr. Norman and his collaborators insisted was that the central banks should be independent of their governments.” It is emphasized that on this “they insisted rather dogmatically.” In other words, the State was not to

govern in the sphere of money, which was to be left to the Normans, Siepmanns, Niemeyers, Strakosches, etc., ad lib. Despite the audacity of these proceedings they were entirely successful. The paid economists duly discovered that reserve banks were marvellous scientific improvements, the newspapers joined in the chorus of applause, and the politicians of the various States behaved as so many bellwethers leading the sheep into the slaughterhouse. The fact was entirely overlooked that these financiers are in no sense public servants, but simply the paid agents of the shareholders in a banking company whose interests need not in the least be identical with the national interest.

This digression has been made to permit the reader to appreciate the highly international atmosphere in which central banking, and incidentally the Reserve Bank of New Zealand, had its birth. Sir Otto Niemeyer in his report said we ought to have a reserve bank to co-operate with the reserve banks of other countries as these banks had “no suitable point of contact in New Zealand.” Furthermore, we were told that we would be benefited by having our Reserve Bank ship away all or most of the gold held by the banks in New Zealand. It was pointed out

that this gold did not bear interest and it was thus a dead loss to hold it when we might exchange it for interest-bearing paper. It thus appeared that Sir Otto Niemeyer and his friends, on purely philanthropic grounds, were willing to carry off our gold, bear the dead loss on it themselves,

and hand us over valuable paper for it. Nobody in the Government of New Zealand ever paused to think whether there might be any drawback to this admirable arrangement. It was swallowed whole. The entire reserve against the paper money issued by the New Zealand Reserve Bank may lawfully consist of private people’s bills of exchange promising to pay sterling or some foreign gold-standard money. These bills of exchange do not need to have the least connection with the trade of New Zealand, and may be concerned with sales and purchases between foreigners in any part of the world.

The Reserve Bank Act was passed in 1933. It so happened that in the preceding year advantage had been taken of a similar, but not so sweeping, provision in the United States Federal Reserve law by one Ivar Kreuger with the assistance of aiders and abettors in America. Mr. Kreuger successfully worked off on the United States Federal Reserve some very large parcels of commercial bills of exchange which were later discovered to have no exchange value at all. Speaking in Congress on June 10, 1932, Mr. Louis T. McFadden, long chairman of the House of Representatives Banking and Currency Committee, said: “Every dollar of the billions Kreuger and his gang drew out of this country on acceptances [bills of exchange] was drawn from the Government and the people of the United States through the Federal Reserve Board and the Federal Reserve Banks. The credit of the United States Government was peddled to him...”

Mr. McFadden explained at length and in detail how by allowing foreign commercial bills of exchange to be used as a basis for the issue of money in the United States immense

frauds had for years been systematically worked by “the swindlers and speculators of all nations,” bad bills being bought by the Federal Reserve by the issue of good money, and the loss being saddled on the taxpayers of America.

In lectures at Oxford University immediately following on the exposure of the gigantic Kreuger

frauds, Professor Gustav Cassel, the well-known monetary expert, said of this method of keeping central bank reserves in foreign exchange that it had been “completely discredited by the occurrences of the last year.” Twelve months later the Parliament of New Zealand adopted this “completely discredited” basis for its reserve bank currency; and the Government of the day even went so far as to announce the new system as a wonderful reform.

Immediately it was established the New Zealand’s Reserve Bank took over the gold in the trading banks and duly shipped about three-quarters of it away in return for exchange paper. It also took over from the trading banks something in the neighbourhood of 16 millions of sterling in London. Large sums were thus made available for dealing in bills of exchange in the short- term money market in London. If it were possible to uncover the actual facts it might be instructive to see exactly who has been financed by the internationalists with these millions belonging to the people : New Zealand. It is quite open, for example, for the money be employed in financing the trade of our competitors in the British market. The London moneylenders, as everybody knows, have long had much greater interests in the Argentine than in this quarter of the world. Whatever has been done with our money it was not intelligent to leave large sums loose and open to be used in furthering other people’s interests instead of our own.

* * * *

Now let us go back and consider just why it should have been left open in the Reserve Bank Bill for foreigners to hold Reserve Bank shares. The foreigners had no voting rights: they could not elect the directors and have a say at bank meetings. What result followed if they bought shares? This very important result: if the Parliament of New Zealand at a future date decided to amend or abolish the Reserve Bank it would be changing the terms of a piece of legislation forming the basis of a contract between the Government of New Zealand and the citizens of a foreign State who had put up their money and bought shares in the bank. These foreigners would then be in a position to have their Government take up the question of this breach of contract either with the Imperial Government or the Government of New Zealand. Obstacles might thus readily be put in the way of Parliament interfering with the Reserve Bank. And we have the word of Mr. Einzig, editor of the London “Financial Review,” that Mr. Montagu Norman, and Sir Otto Ernst Niemeyer, and Sir Henry Strakosch and Mr. Siepmann, and the rest of the gentlemen who run the Bank of England, insist “rather dogmatically” that these banks are to be independent of their governments. Happily New Zealand did not leave it open to foreigners to own its Reserve Bank, and the State has

since become sole owner.

Another very curious thing happened when the Mortgage Corporation Bill came before Parliament in 1935. This measure set up a second great privately-owned concern to take over the loans of the Government lending departments, or rather to take them over to the extent to which they were good, leaving the rest on the taxpayers' backs. As in the case of the Reserve

Bank, it was extremely obscure what benefit the people of New Zealand were supposed to derive from this institution. The wording of the legislation suggested a certain identity of origin with the Reserve Bank. The sections relating to the capital and shares, for instance, seemed to have been lifted bodily, word for word, from the Reserve Bank Bill. Strangely, like the Reserve Bank Bill in its original form, the New Zealand Mortgage Corporation Bill left it open for foreigners to own the institution. The rest of the wording of the sections about capital was the same as in the Reserve Bank Act, but the amendment which had been inserted in that Act at the instance of Mr. R.A. Wright, M.P., restricting share ownership to British subjects resident in New Zealand, had been somehow omitted. It is very difficult to think that this omission was accidental. Only £500,000 of capital was required: there was no necessity to go outside New Zealand for such a sum. Mr. Wright, as he had done in the previous case, thereupon moved to restrict ownership to British subjects ordinarily resident in New Zealand. The Government of the day did not reject Mr. Wright's amendment. It would have looked extremely strange if it had rejected such an amendment. What did the Government do? It accepted Mr. Wright's amendment — and then added words on to it that completely nullified it. As the law was enacted no individual other than a British subject ordinarily resident in New Zealand could own shares in the Mortgage Corporation, but any company, British or foreign, with a place of business in New Zealand could own shares to any extent. It was thus legally competent for the entire ownership of this corporation to pass into foreign hands, and even on some future war occurring for it to be found in the possession of the King's enemies. The sequence of events showed quite clearly that, for reasons not disclosed to the public, the Government then in office considered it essential that the law should leave it open for the ownership of this great corporation controlling immense areas of the farming lands of New Zealand to fall in part or whole into foreign hands. What was the meaning of this straw in the wind? Perhaps later in these pages we may see further into this. It is satisfactory to note that the new Government is resuming control of this institution also.

3. An Unanswered Question

When the Reserve Bank Bill was before the Legislative Council in November, 1933, Sir James Parr had charge of the measure as Leader of the Council and representative of Cabinet therein. Sir James Parr, as a former High Commissioner for New Zealand in London, had been in contact with London financiers. In moving the Reserve Bank Bill he referred to Sir Otto Niemeyer in the following terms:

“He was born in England, and comes of four generations of men of his family born in England, and, therefore, full British subjects. I have sat, both at

Geneva and in London, on important commissions with Sir Otto Niemeyer as one of the financial advisers to these commissions. Sir Otto I know to be a Britisher through and through, in his sentiments as loyal to the British Empire as you or I.”

Now it so happened that the portion of this statement printed in heavy type was very difficult to reconcile with statements concerning Sir Otto Niemeyer to which the present writer had given publicity. He at once wrote to Sir James Parr pointing out the discrepancy between his own and Sir James Parr's statements, and inquiring whether Sir James had positive knowledge that Sir Otto Niemeyer came of four generations of men of his family born in England and therefore full British subjects. The letter proceeded:

“As this statement is difficult to reconcile with matter contained in a book in the Parliamentary Library and quoted by me in good faith in my book ‘The Truth about the Slump,’ and as I may shortly be issuing a new edition of this book, I shall be grateful if you will let me know whether you have positive information that what is contained therein is incorrect, as I am naturally desirous of having my facts as accurate as possible.

“On page ii of the appendix to my book I quoted matter from ‘The Alien Menace’ by Lieut.-Col. A. H. Lane (Boswell Press, London, 2nd edition, 1929) in which are reprinted extracts from what purports to be correspondence of the late Dr. Ellis Powell, then editor of the London ‘Financial News,’ with the late Mr. Bonar Law, then Chancellor of the Exchequer. Writing on December 18, 1918, Dr. Powell is stated to have asked Mr. Bonar Law whether certain Germans named Niemeyer who had ill-treated British prisoners of war had a near relative occupying a high position in the Treasury and married to a German wife. It is added that five days later Mr. R.M. Gower wrote in reply from Treasury Chambers, Whitehall, as follows:

‘Mr. Bonar Law wishes me to inform you that the case of Mr. Niemeyer was recently considered by the Committee appointed by the Government to examine the cases of persons not the children of British-born subjects who are employed in Government Departments, and that the Committee had decided that it was in the public interest that Mr. Niemeyer should hold the post which he occupies in the Treasury.’

“Colonel Lane added: ‘Thereupon Dr. Powell wrote direct to Mr. Bonar Law two further letters in the second of which he pointed out that no answer had been given to his question whether Mr. Niemeyer of the Treasury was any relation »of the Germans referred to.« At this point the correspondence seems to have ended. I now put to Sir Otto Ernest Niemeyer the same question. I make no reflection on the personal character and integrity of Sir Otto Ernst Niemeyer. I publish the above facts because I feel strongly that it should be known to the British people to what extent our Government

services are directed by officials of alien extraction.’

“If your own statement is correct, and if the foregoing is correct, it seems an extraordinary thing that the case of Sir Otto (then Mr.) Niemeyer should have been referred for examination by a Committee set up to deal with the cases of persons in a different category altogether. Colonel Lane, in the third edition of his book, published last year, seems to have been as unsuccessful as Dr. Powell in obtaining an answer to his question. It is a legitimate inference that if Mr. Bonar Law

had been able to say there was no relationship he would have done so.

“The circumstance prompting Dr. Powell’s inquiry seems to have been the publication in the London Press of the report of the Government Committee, presided over by Mr. Justice Younger, on the treatment of British prisoners of war in Germany. This appeared in the London ‘Times’ of December 5, 1918, under the headings: ‘Torture of our Officers. Twin Tyrants. Three Specimens of the German Brute.’ It was strongly condemnatory of the conduct of Captains Karl and Heinrich Niemeyer, twin brothers, in command respectively of the prison camps at Holzminden and Clausthal in Hanover, in which were interned most of the British officer prisoners of war.

“Further reference to this matter is made in another book ‘The Tunnellers of Holzminden’ by Mr. H. G. Durnford, M.C., M.A., Fellow of King’s College, Cambridge (Cambridge University Press, 2nd edition, 1930). On page 106 it is stated that the conduct of the two Captains Niemeyer was so bad that about May, 1918, the British Government, as a last resort, having failed to secure any redress, instituted reprisals by segregating for special treatment all the Hanoverian officers among the German prisoners of war in Britain. On page 159 it is stated: ‘Both the Niemeyers figured on the Black List [of War Criminals] communicated by the Supreme Council to the German Government during or after the Peace Conference.’ On page 28 it is stated that the conduct of Captain Karl Niemeyer had been strongly condemned by the German War Office itself when he was in command of a prison camp at Strohen, but this had not interfered with his appointment to Holzminden. On page 35 it is stated that the reason for the high favour enjoyed by the Niemeyers ‘was always something of an enigma,’ and that according to a member of the Netherlands Legation they were under the personal patronage of the Emperor. ‘Certain it is,’ states Mr. Durnford, ‘that despite the strongest representations ever since the departure of the first party for exchange to Holland — from British officers to the British General commanding in that country, from the General to the War Office, from the War Office back to the British Legation in Holland, from the Legation to the Dutch Government, and from the Dutch Government to Berlin — the pair stuck like leeches, and retired, by the back door, only at such an advanced period in the war that it had become evident that not even the patronage of the All-Highest was likely to avail them much longer.’

“In view of the strong stand taken by you in the past as Minister of Education on questions of nationality, as evidenced by your introduction of the practice of saluting the Flag in the schools, and your dismissals of certain teachers on points of loyalty, I take it that you have positive evidence that Sir Otto Niemeyer is not in any way related to the two Captains Niemeyer referred to above. Your speech as published, however, does not specifically cover the points referred to in Colonel Lane’s book, and I shall be extremely grateful for information as to the actual position.

“Sir Otto Niemeyer’s association with the disastrous American debt settlement as the principal Government official accompanying Mr. Baldwin on his ill-fated mission to the United States in January, 1923, and his membership of the Treasury Committee in 1925, on whose recommendation Mr. Churchill made the equally disastrous return to gold in that year, do not

point to his possession of greater financial acumen than might have been obtained from a financial adviser of our own blood and flesh. I certainly think it a most extraordinary thing that Mr. Bonar Law should fail to answer the plain and simple question put to him by Dr. Powell, and I hope that you will answer it.

It is a very horrible thought that there should be any possibility of a high official in the British Treasury in the midst of a life and death struggle being the near relative of a pair of scoundrels against whom the British Government was actually taking reprisals for non-observance of the rules of civilized warfare...”

The above letter was dated November 28, 1933. Sir James Parr replied under date of December

18. After quoting a long extract from his speech, he said:

“Apparently the sentence to which you take exception is the statement that: ‘He comes of four generations of men of his family born in England, and, therefore, full British subjects.’

“When I made this statement I did so on specific information supplied to me by a Departmental Officer, and my statement was made in all good faith. I have since made enquiries by cable, and I find that Sir Otto Niemeyer was born in England and is a British subject. His father was a native of Hanover who came to England because his country was annexed by the Prussians, and he became a naturalized British subject. Further, it is quite clear that Sir Otto’s mother was English by birth.

On his mother's side the line is British for several generations at least. It would also appear that Sir Otto Niemeyer is not a Jew. There is no doubt that Sir Otto has a long record of distinguished public service, and has enjoyed, and still enjoys, the full confidence of English Governments and of the English financial world.

"I have no knowledge whatever regarding the other question, as to Sir Otto's relationship with certain German officers. But, as regards Sir Otto himself, I may repeat that I saw much of him in London in various capacities, and both his sympathies and his speech were as pro-British as yours or mine.

"With the modifications now made by me in one sentence only, the rest of my speech, I think, is correct."

The statement so emphatically made in Parliament by Sir James Parr as to the long British ancestry of Sir Otto Niemeyer thus proves to be an inaccurate statement. And the question asked by Dr. Ellis Powell and repeated by Colonel Lane remains an unanswered question. High finance is international: but we do not want internationalism in the British Treasury in time of war. As to whether we had it in this particular case, Sir James Parr had "no knowledge whatever." We certainly had it in some other departments of State in curious instances which will presently come under our notice. The principle involved rises superior to all questions of personality. A straightforward question was asked by Dr. Powell, and a straightforward answer should have been given him.

4. THESE BROAD-MINDED DAYS

If we find distinct traces of internationalism—and an internationalism devoid of any conspicuous benefit—in the incubation and framing of recent legislation in this country we must not be surprised to find it accompanied by indications of "broad-mindedness" in other directions. The difference between the ordinary and the broad-minded way of looking at things was succinctly put in a few pithy words in Joseph Conrad's strange chronicle of revolutionary intrigue "Under Western Eyes," written a quarter of a century back:

"History—not Theory Patriotism—not Internationalism Evolution—not Revolution Direction—not Destruction Unity—not Disruption."

Curious indications of leanings to the broad-minded side in unsuspected quarters will be found in plenty by anyone who takes the trouble to peruse that voluminous document

containing the evidence given before the New Zealand Government Monetary Committee in 1934. We shall find there that in cross-examining witnesses advocating monetary reform the Conservative members of Parliament on the committee quoted with frequency a certain book which they appeared to regard as a sort of Bible on monetary matters this was “What Everybody Wants to Know about Money” (Gollancz, 1933), the author of which is Mr. G.D.H. Cole, Reader in Economics at the University of Oxford. Mr. Cole is a Socialist. He does not consider the social results he desires are to be obtained by

monetary reform. In other books and speeches he has made clear the line of action preferred by him. In his book "The World of Labour", he says that "the interests of Capital and Labour are diametrically opposed"; that " 'social peace' is a sham and a trick"; that matters can only be righted by "the overthrow of capitalist society." Mr. Cole emphasized his views in an address delivered to the British Socialist League as reported in the "New Clarion" of January 27, 1934. He said: "A classless society will never come from above, but only as the result of the working class toppling over the capitalist system from below." A Parliamentary victory would be quite insufficient: what was wanted "involves the direct and formidable class action of the workers in the mass."

People who do not keep themselves up to date may be surprised to know that a person holding such views as Mr. Cole holds is considered a fit and proper instructor for British youth at Oxford University. In passing it may be noted that Mr. Cole's numerous books on economics usually appear through the Jewish publishing house of Gollancz, whose publications make an interesting study. If the existing social order is violently overthrown, as Mr. Cole advocates, it will only be because the mass of the people are suffering want and privation. The existing order is capable of producing in abundance all that the people require. If they are unable to obtain what they require it is mainly because they lack the money to buy it. The problem is thus a monetary one. But if by monetary reform this state of things were remedied a violent overthrow of the existing social order would be most unlikely. It is a very striking fact that, taken generally, Communists and Socialists are as violently opposed to monetary reform as is the moneyed interest itself. Their sine qua non is not so much the betterment of conditions, as the violent overthrow of the whole present constitution of society. Destruction is the immediate objective.

It was curious to find Conservative members of Parliament treating with such deference the views of one who sees in formidable mass action of the workers to topple over the present social order the cure for the diseases of that order. The official spokesman for the Douglas Credit Association of New Zealand in commenting upon this fact in evidence before the committee remarked: "We are rather bewildered when a man professing to be a Socialist is yet a Communist and is used in support of the present system." At the same time this witness himself said: "I am a great admirer of Cole; I feel that if Douglas fails, we will have to revert to Cole;" and again: "I admire Cole, and we may relapse into his philosophy if we fail."

It was furthermore noticeable that when the Monetary Committee came to draft its recommendations the Conservative majority (with one exception) appended their names to a report which almost completely ignored the evidence presented and enlarged at length on what might be achieved by a Planned Economy regimenting and controlling industry, the inference being that monetary reform was useless and Planning the only real cure. Advocacy of Planned Economy was also to be found in the evidence of Mr. Walter

Nash in explaining his scheme for financing guaranteed prices by Government control of the external trade of the country. Mr. Nash was then a private member of Parliament but is now Minister of Finance in the Labour Government which came into office following on the elections in November, 1935. He

deprecated the view that monetary reform was in itself a remedy for the national difficulties. "We have got to fit into a system of planned production," he said. Many leading questions as to the advantages of Planning were asked of witnesses by the Government economist attached to the committee as an expert, and at the time of writing on the staff of Mr. Nash as Minister of Finance.

A considerable literature has appeared in Britain of late expatiating on the merits of Planned Economy. Some of it is written by Conservatives and some by people of more radical tendencies. Articles in support of Planned Economy have appeared in the most Conservative London newspapers. Whence comes this Planning and what is its significance? At the moment it is sufficient to note that just as nothing was heard of reserve banks until after the

establishment of the Federal Reserve system in the United States, so nothing was heard of Planning until after the Bolsheviks in Russia had formulated their Five Year Plan. The financiers put on the screw by taking money out of circulation and thus created want and discontent among the people. The Moscow Bolsheviks and their agents throughout the world then loudly affirmed that the only cure was a universal Communistic revolution. On that revolution not developing, another school of thought arises which asserts that we can only escape from our difficulties by adopting a Planned Economy. Is this view sound or is it a mistaken view? It seems that in the circumstances we should at least do well to sift out and understand all we can of the movement for Planning.

Before tracing out the developments abroad in the direction of Planned Economy and the personnel behind them we shall in the next three chapters consider certain curious happenings immediately before, during, and after the Great War, for it is from the dislocations following on that great event that our most acute troubles spring.

Chapter II Echoes from the Past

1. THE MARCONI AFFAIR

THROUGHOUT the Great War a strong feeling existed in many quarters in Britain that some mysterious influence was at work preventing the nation from putting forth its full effort in that great struggle. Before examining the allegations made at this time it is necessary to bear in mind that immediately prior to the war feeling had run high in political circles in Britain over what was known as the Marconi Affair. This centred around Ministerial transactions in Marconi wireless telegraphy shares prior to and during a great stock-exchange boom in their value. This boom had followed the announcement that a contract had been negotiated between the Marconi Company and the Government for the erection of a chain of wireless stations through the Empire. The managing director of the Marconi Company at this time was Mr. Godfrey Isaacs, brother of Sir Rufus Isaacs, at the time Attorney General in the Asquith Cabinet. Immediately after the inquiry into the Marconi transactions Sir Rufus Isaacs was appointed Lord Chief Justice of England and presently raised to the Peerage as Lord Reading. Associated with Sir Rufus Isaacs in the Marconi transactions was Mr. Lloyd George, destined soon to play an even greater part in guiding British destinies.

Wireless telegraphy had attracted attention from 1899 onwards, in which year Signor Marconi had succeeded in transmitting messages across the English Channel. By 1904 a commercial service across the Atlantic had been opened, and by 1907, on the opening of a new trans- Atlantic station at Clifden, rates for wireless messages to America were fixed at much below cable rates. Large financial interests became concerned in the new form of communication.

On January 25, 1910, Mr. Godfrey Isaacs was appointed managing director of the Marconi Company. According to evidence given before the Marconi Committee in 1913 by the late Dr. Ellis Powell, then editor of the London *Financial News*, this appointment aroused conjecture in the City as Mr. Godfrey Isaacs had no experience in wireless affairs. The late Mr. L.J. Maxse, then editor of the *National Review*, said in evidence with respect to Mr. Isaacs: "There is nothing in his somewhat chequered career to suggest his suitability for such a high and responsible position; it is not easy to discover successful concerns with which he had previously been associated."

One month later, in February, 1910, Mr. (now Sir) Herbert Samuel was appointed Postmaster- General in the Asquith Liberal Government. Mr. Samuel's relatives conduct the great international banking house of Samuel Montagu and Coy., of which the founder

was his uncle (original name Samuel and created Lord Swaythline in 1907 by the Asquith Government). His cousin, the late Hon. Edwin S. Montagu, at a later date as Secretary of State for India originated the movement to give India democratic government.

In March, 1910, another month later, Mr. Rufus Isaacs, (brother of Mr. Godfrey Isaacs) was appointed Solicitor-General in the Asquith Ministry, and knighted, and in October following promoted to be Attorney-General.

The formation of the English Marconi Company had been followed by the flotation by it of subsidiary companies, such as the Spanish Marconi Company, the Canadian Marconi Company and the American Marconi Company. There was considerable speculative movement in the shares of these companies, wireless telegraphy being at this date a new venture, and according to evidence at the Marconi inquiry the shares of the various companies in the group rose and fell together.

A Parliamentary Committee inquired into the Marconi affair in 1913, and in the course of his evidence before it Mr. Godfrey Isaacs stated that his first interview at the Post Office with respect to a contract between the English Marconi Company and the Government was with Sir Matthew Nathan in January, 1911. The proceedings show that on February 13, 1912, a tender was submitted by the company for the erection of a chain of wireless stations. The stations were to be owned jointly by the State and the Marconi Company; the company was to decide what machinery was to be installed; the State was to pay a lump sum down; and the Marconi Company was to get 10 per cent, of the gross receipts for a period of twenty-eight years. On March 7, 1912, Mr. Samuel, Postmaster-General, wrote a letter accepting the Marconi tender.

On July 19 a formal contract for approval by Parliament was signed. Following on the announcement of the contract with the Government on March 7 a sensational boom in Marconi shares followed. In December, 1911, the English Marconi shares had made a startling rise from

2¼ to 3¼ in January, 1912, they rose to 4¼; and on April 19 they touched their highest point,

913/16, dropping early in May to 5.

In March, 1912, Mr. Godfrey Isaacs, accompanied by his chairman, Signor Marconi, and Mr. Percy Heybourn of the London stockbroking firm of Heybourn and Croft, had proceeded to the United States in connection with the affairs of the American Marconi Company, which was controlled by the English company. On April 1 Mr. Isaacs effected an agreement by which the powerful Western Union Telegraph Company undertook to act as agents for the receipt and distribution of messages by the American Marconi service. This arrangement was of great importance. In the United States the telegraph service is not conducted by the Government, but by private companies. Of these companies the Western Union was by far the most important and also had large interests in Atlantic cables. Its stock issues were floated by Kuhn, Loeb and Company, and Mr. Jacob H. Schiff, senior partner in that firm, was a director of it up to the time of his death in 1920. The Marconi Company thus became linked with the

enormously powerful Kuhn, Loeb interests. In Mr. Ludwell Denny's *America Conquers Britain* (Knopf, London, 1930) much matter will be found relative to the interlocking control of world cables and telegraphs of recent years, and incidentally one encounters the assertion that Britain in the Far East by cable monopoly "tapped China's confidential official messages and learned the secrets of her American commercial rivals." This curious allegation with respect to communications

control provides food for reflection.

In addition to making his valuable connection with the Western Union, Mr. Godfrey Isaacs while in the United States attended to matters touching a suit pending by American Marconi against United Wireless, a rival American concern then in liquidation and with some of its directors in gaol. English Marconi purchased the assets of this company and resold to American Marconi for 1,488,800 fully-paid shares of \$5 (£1) each in the latter company. Signor Marconi then sold 500,000 of these American Marconi shares to Mr. Godfrey Isaacs at par, the deal, according to the evidence before the Parliamentary inquiry, being effected by word of mouth with no written record of any kind. Mr. Godfrey Isaacs next sold 350,000 shares from his parcel to Mr. Heybourn, who agreed to buy at par but said he actually paid 1¼ for 250,000 of them and more for the balance. Mr. Heybourn in turn presently sold to the public in London. The Conservative minority on the Parliamentary Committee reported that the account of these transactions was “not satisfactory.”

At the beginning of April the party returned from the United States after having completed these extensive arrangements. Within a week fate had provided the world with an intensely dramatic demonstration of the value of wireless telegraphy. A few minutes before midnight on April 14 the White Star liner Titanic, while on her maiden voyage to New York, collided with an iceberg in mid-ocean and sank two and a half hours later with the loss of 1503 lives, only 705 of the 2208 persons on board being saved. The Titanic disappeared beneath the waters at about 2.20 a. m. on April 15, and by 4.10 a.m. the Cunard liner Carpathia, summoned by wireless, had raced at full speed to the scene and was busy picking up the survivors.

Four days after the loss of the Titanic American Marconi shares were offered on the London market by Messrs. Heybourn and Croft, to a public clamouring for them. The shares were started at 3¼, and immediately rose to 4, with buyers scrambling to secure them. The American Marconi Company had not at this date paid any dividend and the value of the shares was purely speculative. The boom was presently over, and within two months the shares were down to 1½.

As the 500,000 shares taken over by Mr. Godfrey Isaacs had been bought at par, it was obvious, as was pointed out by witnesses at the inquiry, that a gross profit of about a million sterling must have been made by those concerned in their disposal at the height of the boom. As the total new issue of American Marconi shares was 1,400,000, there were consequently 900,000 shares in existence over and above the Isaacs parcel. At the Parliamentary inquiry Lord Robert Cecil asked Mr. Heybourn: “Did you let the rest of the new issue, which would be 900,000, run loose, or did you try to get it under control?” The witness replied: “I did not try to get it under control. I had no opportunity.” Asked where the

900,000 shares were. Mr. Heybourn said: “I have not the faintest idea.” In face of this Mr. Heybourn admitted under pressure that he had fixed the market price of 3 at which the shares were offered to the public.

Following on this sensational but short-lived boom in Marconi shares, rumours were presently

in circulation in London that Cabinet Ministers had made immense sums by dealing in them. In his evidence in April, 1913, Dr. Ellis Powell, who as editor of the *Financial News* was well

qualified to speak on such a matter, told the Committee that rumours began to get about at the end of April, 1912. The rumours, Dr. Powell considered, “were obviously designed to support the shares.” There was, he added, an immediate prevalence of reports that Mr. Godfrey Isaacs was the brother of the Attorney-General and “could do what he liked with the Government.” Dr. Powell further asserted: “It has always been understood that immense dealings in English

Marconis took place through Hamburg, the orders being sent there so as to defeat any attempt at inquiry into the identity of the operators.” Dr. Powell said he had heard that Mr. Godfrey Isaacs had put the rumours into circulation to help the shares. No evidence was tendered at the

inquiry, however, to establish the assertion that the rumours had originated in this manner. Their actual point of origin remained obscure.

By October 11, 1912, the rumours of Ministerial trafficking in Marconi shares—an extremely questionable proceeding in view of the important effect of the Government contract in enhancing their value—had become so pronounced that the matter was discussed in the House of Commons. It came up on a motion to appoint a committee to report on the proposed contract. Mr. Lansbury referred to outside talk of a stock exchange gamble by people with inside information. He hoped the Committee would not shirk this aspect.

Mr. Lloyd George interjected: “I hope there will be no shirking on the part of those who make the allegations.”

Sir Rufus Isaacs (Lord Reading) in the debate said the first he knew of any Marconi contract

was a few days before it was signed, when his brother mentioned to him at a social function that he was in negotiation for a contract, and hoped to get it. Referring to the newspaper rumours of share-dealing transactions, Sir Rufus Isaacs added: “I desire to say frankly on behalf of myself, that that is absolutely untrue. Never from the beginning when the shares were 14s or £9 have I had one single transaction with the shares of that company. I am not only speaking for myself, but I am also speaking on behalf, I know, of both my right honourable friend the Postmaster-General and the Chancellor of the Exchequer who in some way or another in some of these articles have been brought into this matter.”

Mr. (now Sir) Herbert Samuel said that the stories that members of the Cabinet directly or indirectly bought shares in this company had not one syllable of truth in them. He added: “Neither I myself nor any of my colleagues have at any time held one shillingworth of shares

in this company, directly or indirectly, or have derived one penny profit from the fluctuations in their prices. It seems shameful that political feeling can carry men so far, that lying tongues can be found to speak and willing ears be found to listen to wicked and

utterly baseless slanders
such as these... there is no uncleanness in any corner.”

Mr. Lloyd George made no speech in the debate, and but one further interjection. Sir J.D. Rees in speaking said Mr. Lloyd George had improperly leant across during the debate and had advised Sir Rufus Isaacs not to reply. At this, Mr. Lloyd George interjected: “I did not.” The Ministerial statements were regarded by the public as a positive denial of the rumours in circulation; these rumours nevertheless persisted.

The Parliamentary Committee of inquiry held its first sitting a fortnight later, on October 25,

1912. Despite the widely prevalent gossip closely touching their honour, and the examination of numerous witnesses with respect to the allegations, the Ministers concerned made no appearance before the Committee until the last week in March, 1913, five months after the inquiry opened.

On February 14, 1913, the Paris newspaper *Le Matin* published a London message in which a witness before the Committee was quite incorrectly reported as having said that Sir Rufus Isaacs and Mr. Herbert Samuel had bought shares in the Marconi Company at i2 when it was negotiating a contract with the Government and that these Ministers had later sold the shares up to £8. Four days later *Le Matin* published a correction saying no such statement had been made before the Committee and apologising for what it had published.

An action for libel was brought against *Le Matin* by the two Ministers named. At the hearing on March 19, 1913, it was announced that the apology had been accepted. Sir Edward Carson, for the plaintiffs, said “every statement was false from beginning to end.” The Ministers had not dealt in the shares of the English Marconi Company with which the Government had negotiated a contract. Sir Rufus Isaacs gave evidence that his sole dealings had been a purchase of 10,000 shares in the American Marconi Company, of which shares he had sold 1000 each to Mr. Lloyd George and to the Master of Elibank (created Lord Murray of Elibank in August, 1912). Lord Murray at the time of this transaction was chief Liberal Whip in the House of Commons. He resigned just before the inquiry to join the oil firm of Sir Weetman Pearson (Lord Cowdray) and at once proceeded to South America where he remained throughout the inquiry. In the inquiry the additional fact was revealed that Lord Murray had invested Liberal party funds in 3000 American Marconi shares, and did not hand the shares over to his successor as party treasurer, leaving them with his brother to hold until things cleared. It thus appeared that Ministers after all had been trafficking in Marconi shares, the inaccuracy being only as to the particular Marconi Company.

There was much speculation as to how *Le Matin* came to publish its incorrect report, for which the evidence itself gave no foundation. The *Daily Herald* went so far as to suggest that the *Le Matin* report was a “put-up job:” the inference being that it gave an opportunity for a voluntary statement by the Ministers concerned of dealings in American Marconis, instead of leaving the facts to be belatedly extracted from them on their appearance before the Parliamentary Committee. On this assertion being repeated by Lord Robert Cecil at the inquiry, it was denied by Sir Rufus Isaacs as “absolutely untrue.”

In his evidence before the Parliamentary Committee on March 25, 1913, Sir Rufus Isaacs said no members of his own household had had dealings in Marconi shares other than himself. As for his relatives generally he added: “I cannot go beyond that. I do not

know. I have relatives abroad in Berlin, Paris, and places I cannot tell.” He could have bought shares direct from his brother Godfrey, managing director of the English Marconi Company, at 11/16, but he had preferred to buy from his brother Harry at 2. He sold to Mr. Lloyd George and Lord Murray at

2. He had told Mr. Herbert Samuel and the Prime Minister, Mr. Asquith, of his transactions in

July, 1912. His letter to the Prime Minister had been mislaid and could not be produced. Mr. Asquith had advised him to take no notice of the newspaper attacks. (This evidence is interesting as it shows that when Mr. Herbert Samuel spoke so emphatically in the debate on October 11, 1912, he had definite knowledge of Ministerial transactions in American Marconi shares.) Of the 10,000 shares he had purchased, Sir Rufus Isaacs stated that he sold 570 in the boom on April 19 and 1000 on May 3. In the course of the examination of Sir Rufus Isaacs he was questioned as to transactions in Marconi shares through the banking firm of Brown, Shipley and Company (in which Mr. Montagu Norman was a partner) but evidence was tendered to show that no transactions of importance in Marconis had taken place through this firm. Mr. Otto Schiff, of Bourke, Schiff and Company, brokers to Sir Rufus Isaacs, also gave evidence in connection with the transactions.

Mr. Lloyd George stated in his evidence that he had bought his 1000 shares as “an investment.” He admitted that he had made no inquiry before purchasing as to the prospective earnings of the company and the probable dividends. He had sold all but 143 shares out of his 1000 three days after purchase and had made a profit of £749 10s by doing so. On May 22, 1912, he had bought 1500 more American Marconi shares, and when examined was still holding 1643 shares. “I meant it to be an investment,” said Mr. Lloyd George in evidence, “and for a whole day I did refuse to sell.”

Examination of Mr. Godfrey Isaacs’s bankers revealed that in September and October, 1912, he had an account with about £150,000 to credit and drew out in notes of large denominations on different occasions during those months, sums of £10,000, £10,000, £8000, £10,000, £5000 and £10,000 respectively, making £53,000 in all withdrawn in notes. The Purpose of these large transactions in notes remained obscure.

Mr. Heybourn, the broker who offered the American Marconis to the public on April 19, stated that prior to that date he had placed among his friends at 1 1/16 certain of the 350,000 shares he took from Mr. Godfrey Isaacs. As to the number so placed he said “I cannot answer”; it was “entirely my own business,” and “not anything material to this inquiry.” No information was publicly elicited.

Mr. Rice, the broker who had acted for Mr. Lloyd George, expressed the opinion that the shares were put on the London market at an altogether fictitious price. Usually shares were placed on the market by a public issue: he did not like a private issue such as had occurred in the case of the American Marconis. There had been a previous disastrous experience of a private issue in the case of the Barnato Bank [Jewish], and in it many people had burnt their fingers.

Asked by Sir F. Banbury why he had given Mr. Heybourn and his friends the opportunity

of making half a million sterling, Mr. Godfrey Isaacs had replied: "I do not know what opportunity I am giving. I cannot foresee what is going to happen to any market." Was it not necessary in putting out the shares, asked Sir F. Banbury, that Heybourn's should be in a position to keep control of the whole of the market in American Marconis, and not merely their 350,000 shares? Mr. Isaacs replied that this was "a question we never took into consideration

for one moment—not for one moment.”

The Committee, which as usual in such cases had a Government majority on it, reported on June

13, 1913. Three reports were made. The majority report stated that “the charges made against Sir Rufus Isaacs, Mr. Lloyd George, and Mr. Herbert Samuel are absolutely untrue and that the persons who were responsible for their publication had no reason to believe them to be true.”

A draft report prepared by the chairman, Sir Albert Spicer, but not adopted by the Committee, stated that if it had occurred to Ministers in the debate of October 11, 1912, to make a statement of facts as disclosed by them in the libel action against *Le Matin* much misunderstanding would have been averted and the labours of the Committee lessened. It was added that the Ministers acted in good faith and in the belief that the American company was in no way connected with the English company. The first purchase took place five weeks after the tender had been accepted, and could not have influenced the contract. The draft report further expressed the opinion that the Ministers “would have been well advised” to have had nothing to do with the shares.

The Minority Report, presented by Lord Robert Cecil on behalf of the Conservative members of the Committee, expressed the opinion that Mr. Godfrey Isaacs’s account of the transactions was not satisfactory: that the Government contract was an essential factor in the whole structure of Marconi finance: that the American company was founded by the English company, which until April, 1912, held a majority of the shares and appointed three of the five directors. Regret was also expressed that by a decision of the Committee “any real investigation” into the transactions in Marconi shares by Messrs. Heybourn and Croft, by far the largest dealers in them, was precluded. Ministers had conveyed an impression to the House of Commons that they had no dealings at all in Marconi shares, and “failed to treat the House of Commons with the frankness and respect to which it is entitled.” While Sir Rufus Isaacs, Mr. Lloyd George, and Lord Murray were stated to have “acted with grave impropriety,” it was added that “so far as we have been able to ascertain no Minister, official, or member of Parliament has been influenced in the discharge of his public duties by transactions in the shares.”

Lord Robert Cecil added that “an uneasy impression prevails that perhaps even now the whole truth is not known, and this impression has been strengthened by the acceptance on the part of Ministers of an arrangement proposed to them by the majority of the Committee by which only the chairman and an expert were allowed to see the pass-books which Ministers had originally tendered for the inspection of the Committee, and by the very regrettable failure of Lord Murray to present himself for examination as a witness.”

At the beginning of July, 1913, the Prime Minister announced in Parliament that the Marconi Company having repudiated the contract on the ground of undue delay by the

Government in ratifying it, the Government did not intend to enforce the contract. This decision, the Prime Minister stated, had been reached solely in view of the legal difficulties in the way of enforcing a contract which had not been ratified by Parliament. This statement showed clearly that at the time of the Ministerial share transactions the contract with the Government was not complete.

On August 8, 1913, a new Marconi contract, similar to the original but with some modifications, was ratified by the House of Commons by 210 votes to 138.

Considerable comment was caused by the disclosure by Sir Rufus Isaacs in evidence in a case brought against Mr. Cecil Chesterton, editor of the *Eye-Witness*, that at the beginning of the Marconi inquiry in October 1912, he had privately told certain Government members of the Parliamentary Committee of his own, Mr. Lloyd George's, and Lord Murray's transactions in American Marconis.

2. A RAPID RISE TO GLORY

The foregoing outline shows that the inquiry into the very remarkable circumstances surrounding the issue and disposal in 1912 of 1,400,000 American Marconi shares got very little further than the history of the 10,000 shares bought by Sir Rufus Isaacs from his brother, Mr. Harry Isaacs. Little light was thrown on the disposal of the rest of the 500,000 shares in the hands of Mr. Godfrey Isaacs, and no light whatever on what happened to the remaining

900,000. The London *National Review* of September, 1913, said: "Experts estimate that so far we have only extracted about ten per cent of the Ministerial Marconi speculations. This we can well believe." The only other Minister to appear before the Committee was Mr. Winston Churchill. Dr. Ellis Powell in giving evidence had been asked to state exactly what rumours he had heard in circulation. Under pressure by the Committee he said he had heard rumours of Mr. Churchill having had dealings in the shares but he did not believe the rumours. Mr. Churchill thereupon made a dramatic appearance before the Committee, denied the rumours, and called Dr. Powell a coward for mentioning them in reply to the questions put to him.

In October, 1913, the office of Lord Chief Justice of England falling vacant, Sir Rufus Isaacs was appointed thereto, and on New Year's day, 1914, he was raised to the Peerage as Lord Reading.

On November 12, 1913,—a month after the elevation of Sir Rufus Isaacs—the Committee of

the London Stock Exchange passed a resolution condemning "in the strongest terms the manner and method of the introduction of the shares of the Marconi Telegraph of America in the Stock Exchange." The resolution declared that Messrs. Heybourn and Croft—brokers acting in conjunction with Mr. Godfrey Isaacs—were guilty of a breach of trust to the brokers who left orders with them for execution at the opening of the market on April 19, 1912. The Committee of the Stock Exchange further resolved that the partners in Heybourn and Croft "be suspended from entering the Stock Exchange for five years from the 17th instant."

The appointment of Sir Rufus Isaacs to be Lord Chief Justice of England in the foregoing circumstances naturally provoked considerable comment, in some quarters of the most outspoken character. The London *Times* went no further than to say that it was “a great misfortune that an absorbing controversy should have brought hesitation and discord into what otherwise would have been a unanimous chorus of approval.”

The *Spectator* in its issue of October 10, 1913, said of the new Lord Chief Justice: “Is it possible for any truthful defender of his conduct to say that he acted with the delicacy, the discretion, the candour, the sincerity towards the House of Commons which should be found in the holder of the highest judicial office? He set a bad, not a good, example to the servants of the State, and he had no excuse of ignorance to plead, for he knew the Stock Exchange, the law, and the proper way of acting in cases of Parliamentary and semi-Parliamentary inquiry.” His appointment the *Spectator* declared to be “a grave injury to the public interest,” and no one could say that “the office has been well and wisely filled.”

The *National Review* in its issue of December, 1913, described the appointment as “affronting public opinion,” as “grossly improper,” and as “approved, so far as we have observed, by no single person whose opinion is of the smallest value in any party.”

The swearing-in of Sir Rufus Isaacs as Lord Chief Justice on October 21, 1913, was presided over by Lord Haldane as Lord Chancellor. Of that ceremony the *National Review* said in November, 1913: “He (Lord Haldane) made every right-minded man among his audience shiver, and, apply for the reputation of the Bar, one of its members (Mr. C.L. Hales) had the manliness to tell the Lord Chancellor to his face, ‘Speak for yourself, Lord Haldane,’ when the latter, not content with a conventional eulogy of Sir Rufus Isaacs’ forensic abilities and professional reputation, went out of his way to challenge the community by declaring, ‘We have known him as a man of the highest honour and of the highest desire to seek out and know the truth.’ ”

The London *Morning Post* in a leading article on January 22, 1914, dealt with the Marconi affair, pointing out that one Minister “now Lord Chief Justice of England actually lobbied two members of the court which was enquiring into his conduct.” The *Morning Post* added:

“If these secret practices of Ministers had been committed by some wretched underpaid petty officer in the Navy, or clerk in the Civil Service, we need not say what would have happened to him... There would have been no question at all about his motive: the contract on the one side and the shares on the other would have been quite sufficient evidence This country has taken a big step on a downward road, along which other democracies have walked before, a road which leads to a stage in which public honesty is regarded as singular, and where political parties and Press unite in a common conspiracy to hoodwink the public, while the public on its side admits with a weary cynicism that nothing can be done because there is no soundness left on which to build. If we have not reached that stage yet, we have taken a definite step in that direction.”

Less than a year after these events the Great War broke out in August, 1914. Despite his highly international family relationships—"I have relatives abroad in Berlin, Paris, and places I cannot tell," Lord Reading had told the Marconi Committee on March 25, 1913—the new Lord Chief Justice at once stepped down from the Bench to lend his services. The *Encyclopaedia Britannica* tells that on the outbreak of war Lord Reading "assisted in the drafting and administration of those measures which saved England from financial ruin." The nature of some of these measures we shall consider later. In 1917 Lord Reading proceeded to the United

States, the finances of which country during the war were, according to the letters of Sir Cecil Spring-Rice, British Ambassador at Washington, dominated by the Jewish bankers, and in particular by Mr. Paul Warburg, partner with Mr. Jacob H. Schiff in the international banking-house of Kuhn, Loeb and Company. Lord Reading in the United States negotiated the British debt to America, signing documents which pledged Britain to repay in gold on demand a sum that eventually rose to over £900,000,000, Great Britain never having at any stage possessed more than about £200,000,000 in gold, and the undertaking to which the nation was pledged by Lord Reading being wholly impossible of fulfilment.

From 1921 to 1926 Lord Reading was Viceroy of India and was closely associated with the constitutional changes inaugurated by Mr. Edwin Montagu as Secretary of State for India, changes designed in Mr. Montagu's own words to stir "the placid, pathetic contentment of the masses" of that country, and which have proved effective in that respect.

In the financial crisis of 1931 Lord Reading with Sir Herbert Samuel (cousin of Mr. Montagu) took a leading part in bringing about the extraordinary alliance between the British Conservative Party and the Ramsay MacDonald Socialists. After the death of the first Lord Melchett (a

Jewish peer, formerly Sir Alfred Mond), Lord Reading became the head of Imperial Chemical Industries, the giant combine controlling the principal chemical resources of the British Empire. Lord Reading in later years was Warden of the Cinque Ports, and there was some comment in

1934 on the fact that during his residence at Walmer Castle as Warden the sitting-room which with the bedroom opening off it had been preserved as mementoes of the Duke of Wellington, who died there in 1852, had been converted into a boudoir for Lady Reading. Lord Reading died in January, 1936.

The late Mr. Godfrey Isaacs in 1922 promoted the British Broadcasting Company, Ltd., which company was given a monopoly of broadcasting by the Postmaster-General, Mr. Lloyd George's friend, Mr. F.J. Kellaway. (References to the nature of B.B.C. propaganda will be found in a later volume). Mr. Harry M. Isaacs, another brother of Lord Reading concerned in the Marconi affair, afterwards managed and controlled the British Cellulose and Chemical Manufacturing Company, one of the largest manufacturers of chemical products in Britain.

Lord Reading was the son of a London city merchant. Before taking up law he was a stock broker. In the *Patriot* (5/4/32) it is stated: "His early experiences on the Stock exchange where he had the misfortune to be 'hammered,' and the knowledge he acquired of business methods from his Uncle, Sir Henry Aaron Isaacs, and from Horatio Bottomley, stood him in good stead when dealing with persons of the Whitaker Wright type." In *The Fine Old Hebrew Gentleman*, by T.W.H. Crosland (Werner Laurie, 1922) it is related that

in the London *Daily Express* at the time of Sir Rufus Isaacs's appointment as Lord Chief Justice its editor Mr. R.D. Blumenfeld (himself a Jew) pointed out that in 1879 Rufus Isaacs entered the Stock Exchange. He would be obliged in ordinary course to declare "I am a British subject and of age." According to all reference books he was born in 1860. In 1887 in the marriage register he gave his age as 26 years. The question was asked, "Did Sir (then Mr.) Rufus Isaacs make such a declaration? If he did not, how did he become a member of the Stock Exchange?"

Mr. Lloyd George, like Lord Reading, was a lawyer by profession. In comments on the Marconi affair in the issue of the *Patriot* just previously quoted it is related that Mr. Lloyd George had been among other things solicitor to the Zionist organization in England. In December, 1916, Mr. Lloyd George succeeded Mr. Asquith as Prime Minister, holding office until October, 1922. Throughout the greater part of his career Mr. Lloyd George had close Jewish associations, and the pronounced Jewish complexion of the Lloyd George Ministries was more than once the subject of Press comment in Britain.

Sir Herbert Samuel has held many different portfolios. He has several times filled the office of Home Secretary, administering in this capacity the Aliens Act and the naturalization laws with control of the admission of foreign Jews and their conversion into British citizens. In 1920 he was appointed first High Commissioner for Palestine, having from 1916 onwards taken a leading part in the Zionist movement which will be described in a later volume. In the financial crisis of 1931 Sir Herbert Samuel played a leading part on the Liberal side in the formation of the National Government, and was made Home Secretary in it. He sponsored legislation in 1931 for the Sunday opening of cinemas, enabling this Jew-controlled industry to make money on the Christians' Sabbath.

The remaining principal figuring in the Marconi affair was Lord Murray of Elibank, at the time of the transactions Chief Whip of the Liberal Party and as the party treasurer, a person of great influence in its councils. The absence of Lord Murray in South America throughout the Marconi inquiry was the subject of caustic comment in certain journals. He appeared in March,

1914, before a Committee of the House of Lords. On the disclosure of the investment of Liberal Party funds in Marconi shares the *Spectator* on June 6, 1913, remarked: "Where is this going to end? If accident can have disclosed so much, what may not accident be concealing?" The *National Review* (October, 1913) remarked: "Lord Murray last August suddenly became a brilliant ornament of Pearson and Company without any previous experience of oil." In December, 1913, the *National Review* asked: "Why did Mr. Murray, Master of Elibank, suddenly retire from the office of Chief Whip on August 7, 1912? Why was he made a peer, seeing he had taken the precaution to have his father made a peer at the King's Coronation the previous year?" (Mr. Murray, Master of Elibank, was raised to the peerage as a baron in August, 1912).

Referring in January, 1914, to the connection of Lord Murray with the great contracting and oil firm of Pearson and Company—of which the head, Sir Weetman Pearson, afterwards Lord Cowdray, in 1917 became chairman of the Air Board—the *National Review* said in February,

1914: "Lord Cowdray, who was created a peer while Lord Murray was Chief Whip, has been described as the 'universal provider' of the Radical Party. Though like most phrases

it is probably an exaggeration, it is noteworthy that besides providing a directorship or partnership at a very large salary for the Master of Elibank (Lord Murray) when the Fenner fiasco and the Marconi flutter compelled him to retire from public life, the house of Pearson is understood to have found a billet at an opportune time for the brother-in law of one Cabinet Minister, while Mr. Lloyd George, junior, is likewise a member of the same house in some capacity or other.”

In its issue of January, 1914, the *National Review*, one of the most trenchant and unsparing critics of the Marconi affair, said: “We have never been permitted to know whether Mr. Asquith was a Marconi speculator during any period of the Post Office negotiations. We only know his publicly expressed approval of the conduct of Messrs. Lloyd George and Co. in doing what they did, and his enthusiasm for the manner in which they concealed it from the public.”

Seven months after these words appeared the British Empire was plunged into war.

3. Fairy Aid for the King's Enemies

The course of the Marconi Affair has been narrated at some length for several reasons. In the first place, it was remarkable for its strong Jewish atmosphere: for the first time Jewish political activity came to be widely regarded in a highly unfavourable light by wide sections of the British public. It followed fairly closely on the Panama and Dreyfus Affairs in France which had attracted world-wide attention. In the former vast sums subscribed by the French public for the construction of the Panama Canal had disappeared under Jewish auspices in bribery and corruption, numerous high political personages being implicated. In the latter there was a much-disputed charge of treason against a member of a wealthy Jewish family serving as a major in the French army, ending after innumerable hearings in a finding of not guilty after a period of incarceration on Devil's Island. It was against this background that thoughtful people contemplated the developments in the Marconi Affair and recognized the existence of a Jewish Question in the British Empire.

A second reason for devoting attention to the Marconi transactions is the great and important part played in subsequent British history by the leading actors therein, and their influence in shaping the conditions in which we live to-day. To understand the nature of the influences at work in the world it is necessary to trace out the whole intricate sequence of events: and we must not be deterred because there is much in those events that it would be pleasanter to forget.

Finally, the Marconi affair is of importance as showing pre-war circumstances causing distrust and disquiet, and soon to be followed as the war progressed by the increasingly wide prevalence of a belief that some impalpable influence was at work. The first circumstance to arouse indignation was the fact that after the declaration of war the Government allowed enemy reservists in Britain some days in which to return to Germany and Austria. The *Morning Post* in a leading article quoted by Mrs. Nesta Webster in *The Surrender of an Empire* (Boswell Coy., 1931) declared that “the enemy was in fact presented with an army corps from England.” At the same time the Navy was forbidden to capture reservists returning

to enemy countries from abroad. Aliens were allowed to become naturalized and to supplant in their business Englishmen who had gone to the war. The efforts made to supply the Army with munitions were pathetically inadequate.

The late Lord Sydenham who had held the position of secretary of the Committee of Imperial

Defence, and who had just returned in 1913 from a period of service as Governor of Bombay,

wrote as follows of events at this time in his autobiography *My Working Life* (John Murray, 1927): “The Asquith and first Coalition Governments... had showed extraordinary leniency towards the subjects of belligerents. Prominent persons were allowed to be naturalized, German businesses were very slowly and not always effectually round up, and India appeared to be immune.” It was, in fact, not until July 18, 1916, that the Government under pressure announced ordinances on these matters for India—nearly two years after the outbreak of war. “As late as July 8, 1918,” added Lord Sydenham, “I informed the House [of Lords] that ‘there were three great German banks in the city not yet wound up.’ ... The managers who are free to walk about London are extremely able Germans who have a very great deal of very secret knowledge.” The conclusion reached by Lord Sydenham as to these war-time proceedings was that “anyone who carefully watched what went on could not avoid the impression of a certain impalpable tenderness to German interests which has never been explained. No reciprocal consideration was visible in Germany.”

The inadequacy of the blockade of Germany caused much anxiety. On October 21, 1915, Lord Sydenham directed attention in the House of Lords to the fact that “great stores of cotton and other necessities of war had passed into the enemies’ hands.” Mrs. Webster, in her book, notes that no answer was ever made to the charges in this respect made in Admiral Consett’s book

The Triumph of Unarmed Forces (Williams and Norgate, 1923), which book was largely boycotted; and relates how Lord Sydenham in the House of Lords on June 27, 1923, vainly tried to have the matter threshed out there, asserting that: “Behind Admiral Consett’s revelations lie scandals which will never be revealed.”

In passing it is worth noting that a curious statement is made by Prince Francis Joseph of Hohenzollern in his book *Emden* (Herbert Jenkins, 1928). Shortly after the outbreak of war the German cruiser *Emden* in which the Prince was serving met the German liner *Princess Alice* at the Pelew Islands. It is related that the *Princess Alice* was en route from Singapore to Hong Kong when war broke out and was carrying £850,000 in gold to the latter port for the Indian Government, which gold on the outbreak of war duly became German property and was safely landed by the *Princess Alice* in the neutral port of Manila. If this is correct it would be interesting to know just what official of the Indian Government was responsible for shipping this large quantity of gold in a German liner in face of the European crisis, and thus in the event conveniently providing Germany in the Far East with nearly a million in ready money. One would like to know whether this British Government gold, by any chance, was helpful in keeping the German raider *Emden* going until November 9, 1914, and the *Scharnhorst*, *Gneisenau*, and their attendant cruisers also until their still later despatch. In view of the abundance of British

shipping between India and China the despatch of Government gold by a foreign vessel appears to a layman a most peculiar proceeding.

The memoirs of Mrs. Asquith (later Countess of Oxford) revealed that she and Mr. Asquith had an extensive circle of Jewish friends. Mr. Asquith was especially intimate with Sir Edgar Speyer, the eminent international financier, a naturalized German-born Jew, a baronet and Privy Councillor. This intimacy was the occasion of so much discussion that on May 17, 1915, Sir

Edgar Speyer wrote to Mr. Asquith saying that hitherto he had “kept silence and treated with disdain the charges of disloyalty and suggestions of treachery” made against him in the Press and elsewhere, but matters had gone so far that he felt it due to his personal dignity to retire from all public positions. He therefore asked that his resignation of his baronetcy and Privy Councillorship might be accepted. Mr. Asquith in reply characterized the imputations against Sir Edgar Speyer as “baseless and malignant” and stated that the King was not prepared to take any steps such as suggested. In 1915 Sir Edgar Speyer removed to the United States and remained there. His brother Mr. J.J. Speyer was American head of the firm of international financiers of that name, and was apparently the Speyer in whose office (as the British Ambassador in Washington remarked in a letter in January, 1914) Count Bernstorff, German Ambassador to the United States, had placed his son.

On December 14, 1921, three years after the war was over and the damage done, the London *Times* recorded that Sir Edgar Speyer’s certificate of naturalization had been revoked and his name struck from the list of the Privy Council. The reasons given in the Gazette notice were that Sir Edgar: “(1) has shown himself by act and speech to be disaffected and disloyal to His Majesty; and (2) has during the War in which His Majesty was engaged, unlawfully communicated with subjects of an enemy State and associated with a business which was to his knowledge carried on in such manner as to assist the enemy in such war.”

Speaking with reference to the London head of another firm of international financiers, J. Henry Schroeder and Company, Lord Wittenham said in the House of Lords on July 26, 1918: “Baron Bruno von Schroeder had been in this country for years before the War. He was a very notable, prominent business man, a great discounter of bills, a great foreign banker. He had never taken the trouble to go through the solemn form of naturalization. War came, and suddenly Mr. McKenna (Home Secretary) discovered that Baron Bruno von Schroeder was absolutely necessary to the financial stability of this country... The *Neue Freie Presse* (Vienna) said ... ‘If he had not been naturalized he would have been shut out from the support action of the Bank of England at the beginning of the war, and although perfectly solvent would have had to declare himself unable to pay; that again would have meant a shattering upheaval of the whole city.’ ... So Mr. McKenna naturalized him.” According to the London *Fascist* (June, 1935) the Baron is Jewish.

As noted, the *Encyclopaedia Britannica* is authority for the statement that the late Lord Reading on the outbreak of war “assisted in the drafting and administration of those measures which saved England from financial ruin.” The *Encyclopaedia* proceeds to explain that: “The most sensational of these was the granting of the British guarantee to the great accepting houses to bills amounting to many hundreds of millions.” These accepting houses are clearing houses for international bills of exchange and are costly conducted by Jews of German origin. Mr. Lloyd George refers to these proceedings in his

War Memoirs (vol. 1934), saying: “Throughout these conferences I found Lord Reading’s aid invaluable. His knowledge of finance, his mastery of figures, and his calm and sure judgment helped at many turns... We guaranteed about £500,000,000 of securities in respect of debts overseas—some of it on enemy security... Among

those whose advice I sought was Lord Rothschild.”

What brought England to the verge of financial ruin at the beginning of the Great War? Some account of financial conditions in the City of London at this time is given in a little book, *Britain's Crash and After* (Athenaeum Press, London, 1934), written by Mr. A.S. Baxendale, formerly general manager of the Pacific Cable Board. Mr. Baxendale says:

“The story of the part played by our money merchants in supplying means whereby the Central Powers became possessed of vast stores of hitherto unheard of quantities of war munitions in 1914 was thus told in ‘Fairplay’ by Moreton Frewen. (I would mention that Moreton Frewen was a publicist whose ‘inside’ knowledge of financial transactions in Europe, America, and India was probably unequalled and it was to him that J.L. Garvin, of the ‘Observer,’ addressed the remark:

‘You have had all the ideas of your time, and your only trouble is that you have always been in advance of it.’)

“ ‘During the two years before the war,’ Frewen wrote, ‘it had been a matter for general comment on all the Bourses of Europe that Germany had been buying immense sums of gold at a premium. I mean that Berlin was paying more for the bullion she bought here than the price indicated by her own exchange quotations. That very fact, had it stood alone, should have convinced our financiers that Germany intended war, and that she was draining London, the only “free market” in the world for gold, of that metal which, since 1873, is the real sinew of war. But I pass over these great gold purchases by Germans because in that the question of exchange is involved, and the exchange question few so much as desire to understand.

“ ‘But what was it that happened, and in what may be called the War Stores Market, between January and August, 1914? When it is properly investigated, as it will be, that investigation will, I am certain, sound the death-knell of this cosmopolitan credit-mongering built up in the City of London, and synchronizing with and growing out of our “Free Trade” experiment. How then did Germany mobilize her finances of war during those six months? I hope I may be able to explain it in language that your varied readers may be able to follow, for it discloses the most wonderful tale of grand larceny in all the world’s history—a tale, too, which is certain to attract imitators.

“ ‘Now this is what actually occurred: Germany, of course, needed for her impending war immense supplies of lead and spelter, copper and nickel—these are the products of Canada, Australia, Africa; also cotton from Egypt,

and wool from Great Britain. These are bought, not for cash, but with promises to pay three and six months after delivery in Berlin. Such is the method of the Great International System. Now mark the sequel! Germany had against these “scraps of paper” (politely called “bills” in the jargon of the City) war munitions supplied by our Empire to the value of £200,000,000 — the amount of the indemnity paid by France to Germany in 1871!

“ ‘Germany, as I say, has had this huge sustenance fund from England, and had it before ever a shot was fired at all. But I can hear a seller from Broken Hill say, “That was not the way my lead was paid for!” No, but the actual method was this: Berlin had branches of three of the greatest of her banks in London. As fast as Berlin’s banks gave these promissory notes to our Colonial sellers, they were sent to the London branches of the Berlin banks. These branch banks next passed on the “bills” to the amount of two hundred million sterling to the dozen great discount houses, the whole length of Lombard Street. Of course, if the Berlin banks failed to meet these bills when due, all Lombard Street, the Bank of England included, must stop payment. The German Government relied on this pretty conspiracy of their financial experts to keep England out of the war altogether... We are destined in these days at hand to hear much subsidized applause of the national virtue of England’s “free gold market” and of the profitable nature of British bill-broking with German bills;

but I believe the public opinion of to-morrow will challenge all these statements. Such profits go to the “profiteers,” while the losses are saddled on the taxpayers. But think of the frightful peril of it all—which indeed is the peril of every section of the British Empire itself! It is inconceivable that we shall, after the conclusion of peace, permit this traitorous cosmopolitan bill system to be again built up, so that once more we may be fined two hundred millions by the enemy before ever a shot is fired!’ ”

Mr. Baxendale continues:

“On this occasion the suspension of the Bank Act alone would have been quite ineffectual to remedy the financial havoc wrought by the British money merchants in their role of Fairy Godmother to Britain’s enemies.

“In addition to the suspension of the Bank Act a moratorium (a ‘moratorium’ is a temporary legal authorization to defer payment of outstanding debts) was declared between August 2, 1914, and November 4, 1914, and the banks were supplied with notes on loan with which to carry on business. The amount lent to the needy bankers and discount brokers was £58,000,000. The notes which the Treasury issued for this purpose were then known as ‘Treasury’ and later as ‘Currency’ notes. They were, of course, full legal tender... The original issue of these notes was forced on the Government as being the only way in which the banks could be saved from the dire results of their support of the Central Powers on the eve of war.”

As we shall see at a later stage, no steps were ever taken to prevent the cosmopolitan discount market in the City of London from again acting as Fairy Godmother to the King’s enemies on the outbreak of another war. The steps that have been taken are of an exactly contrary nature. By the establishment of a net- work of privately-owned central reserve banks throughout the Empire institutions have been provided which are open to be stuffed to the roof with foreign commercial paper. Under the New Zealand Reserve Bank Act, as we have already seen in the previous chapter, the entire reserve held by the bank may lawfully consist of foreign bills of exchange. Instead of one Fairy Godmother for the King’s enemies, there are now half a dozen possible Fairy Godmothers scattered through the Empire by the international financiers. What happened in 1914 is likely to be a flea-bite to what will happen when the stage is set for the next war.

4. “THE HIDDEN HAND”

As the war progressed, the conviction grew steadily that some “Hidden Hand” was at work. By July, 1918, popular clamour had at long last resulted in a Status of Aliens Bill being brought before Parliament. In the debate on it in the House of Lords Lord Stuart of Wortley described

as “ridiculous and fatuous in its optimism” the Government announcement at the outbreak of war that every spy had been rounded up. Lord Wittenham referred to the “subtle, indescribable influence” which seemed in turn to paralyse every Home Secretary. Admiral Lord Beresford declared that there was an influence behind these aliens. What it was he did not know. The

sooner they got to the bottom of it and found out what it was the better. On July 8, 1918, Lord Beresford had said: "It must be remembered that all these magnates are very rich, and are all international financiers. This is one of the great difficulties—the power of the international financiers—that we shall have to meet after the war." The existence of a Hidden Hand, Mrs. Webster relates in summarizing the debate in her book, was stoutly denied by leading Liberals such as Lord Finlay (Lord Chancellor) and Lord Buckmaster. But even a Liberal, Lord St. Davids, protested strongly against the view of Lord Buckmaster, saying incidentally: "I used to think that the soft way with which these Germans were handled in Great Britain was carelessness, that it was softness of heart, but, frankly, I am getting suspicious myself, very suspicious."

Dr. Ellis Powell, editor of the London *Financial News*, who had taken a leading part in directing public attention to the Marconi affair, was a persistent agitator throughout the war for a full investigation into the nature of the "Hidden Hand." Besides ventilating the matter in the journal he edited, Dr. Powell addressed numerous meetings. One large gathering at which he spoke was that held in the Queen's Hall, London, on March 4, 1917. This hall, seating 3000 persons, was crammed to the doors and the street outside was congested with persons unable to obtain admission. A leaflet of 12 pages containing a verbatim report of Dr. Powell's press was reprinted from the *Financial News*, and from the following extracts are taken. The meeting—which was soon after followed by another at the Cannon Street Hotel under the chairmanship of Lord Leith of Fyvie, with many prominent persons in attendance and unanimous resolutions s close—was held under the auspices of the Women's Imperial Defence Council, the chair being occupied by Mrs. Barker, sister of the late Lord Kitchener. After speeches by Powell, Mr. Arnold White and Mr. A.G. Hales, a solution was carried by acclamation requesting the appointment of a Royal Commission "to make a full investigation as to the identity or identities of that treacherous influence in our midst known as the 'Hidden Hand'". Another resolution urged that the Government should at once dispense with the services of all persons in the Foreign Office who had married German subjects or had any German connections. As editor of one of Britain's leading daily financial newspapers, Dr. Powell was in a position to speak with more than ordinary knowledge on financial matters.

That he spoke under a considerable sense of responsibility was indicated in the course of his address. "You may wonder," he said, "why I don't speak to you, as I should prefer to speak, heart to heart, from the inspiration of a few rough notes, instead of employing prepared language. The reason is at once simple and stupefying. In this supreme crisis in our history an Englishman is not permitted to speak to his fellow-countrymen and countrywomen without the ever-present risk of naturalized German writs. Lawyers employed by a dozen wealthy pro- Germans and naturalized Germans will scan every word I utter to see, if by some technicality, some subtle legal trickery, they can either

shut my mouth while trickery is consummated, or at any rate crush me by the aid of pro-German influence in eminent legal circles.”

It is a far cry from 1935 to 1917, but much of what Dr. Powell said is well worth recalling in the light of after events. The influences described by him as “German” and “pro-German” might in

many cases have been equally well defined as Jewish. They were international influences, of no more real benefit to the German people than the British, and there is evidence that they operate as powerfully to-day as they did through the war. Having said so much, let us listen awhile to this voice from the past. In the course of his address Dr. Powell made the following statements:

“At the beginning of the war many thousands of German reservists were allowed to return to

Germany though our Fleet could have stopped them.

“German individuals, firms, and companies went on trading merrily in British names, collecting their debts, and indirectly, no doubt, financing German militarism. Look at the case of Augener’s music business. The German who owned the bulk of the shares was allowed to sell for promissory notes... At the very moment when Germans were destroying our property by Zeppelin bombs we were actually paying them money instead of taking their holdings as part compensation for damage done. John Bull was not plowed to take any steps to stop that scandal. ... In January of 1915 came that vicious decision by Lord Reading (Sir Rufus Isaacs) and the Appeal Court, according to which the Kaiser and Little William, Limited, was a good British company capable of suing the King’s own subjects in the King’s own courts. Eighteen months elapsed before that monstrous judgment was over-ruled and pulverized by the House of Lords. Some lurking influence or other prevented the instant passing of an Act to remedy the blunder of Lord Reading and his colleagues. The so- called ‘British’ company, composed of German components was left in obscene triumph for eighteen months ... Not until 1916 — two years after the war broke out — was power given to wind up enemy businesses. Why was it not given earlier? Because the Unseen Hand intervened.

“Quite lately you have had a Registration of Business Names Act, which professes to bring the

alien into the open. But it does nothing of the kind. The naturalized alien, by the simple process of registering himself as a ‘British’ company, can hide his alien head from our scrutiny. Do you suppose the draftsman of the Act accidentally left it with that fatal flaw? He would not have dared to do so, any more than your ironmonger would have dared to make you a copper kettle without a bottom. By some means or other that flaw was designedly left in the Act. ...

“The ever-recurring strikes have not been accidents.

“The continued presence of pro-German M.P.s in that degenerate assembly known as the House of Commons is not an accident. A vigorous patriotic

assembly would have pitched them into the street long ago...

“When Sir Edgar Speyer’s Privy Councillorship was protected by the lavish waste of your money in the law courts that an accident?

“The uninterrupted activity in this country of the Frankfort Metal Octopus is not an accident. The late Government bamboozled you with vain talk about eliminating’ the German element from Merton’s, one of the firms associated with the Frankfort Metal Octopus. Why? Oscar Langenbach has only been replaced by Oscar Lang — and Heinrich Schwartz has only disappeared to give place to Harry Ferdinand Stanton, the same man under another name!

Do you think that species of

‘elimination’ is an accident, or is it deep design, elaborated to mock you, to deride you, to flout you, to defy you? ... It would be possible to spend the whole evening in the consideration of instances... Let me analyse one lurid case, which has stirred public indignation and anger to its depths, I mean the impudent survival of the German banks. We have now been at war nearly three years. Yet their doors are still open. If peace were to eventuate within the next few weeks those banks ... could affirm that they had from start to finish of the war successfully defied John Bull to do his worst.

“In fact the truth goes further than that. Sir William Plender, who is supposed to be winding them

up, told his supervisors to find out if the banks had been shipping abnormal quantities of securities and bullion to the Continent within a few days of the outbreak of war. The supervisors reported that they had found no evidence of any unusual transactions. Well, I have found it. I hold in my hand the sworn statement of a member of the Corps of Commissionaires—a pensioned soldier—and I will read you what he says:—

“ ‘I, -----, of -----, solemnly and sincerely declare as follows: On July 30, 1914, I was one of a number of men sent from the Dresdner Bank to the Winchester House Safe Deposit. I was employed during the afternoon and evening of July 30, and also for the same time on July 31. We were engaged in emptying two or three large safes and in packing their contents into 11 or 12 large tin-lined cases. Three or four of these were already packed when I went there. The contents of the safes consisted of securities and documents. I assisted to put the cases in pair-horse lorries, and accompanied them to Liverpool Street [the station for connection with the Harwich service to the Continent]. The cases were addressed to the Dresdner Bank, Berlin. Each case required four men to lift it. I was informed by some of the men that these cases were placed on railway trucks in the station. I heard one of the staff of the bank inquire why the stuff was being taken away, and the reply was, “If England should take part in the war she will make a claim on this stuff if she wins.” ’

“How came the Dresdner Bank to be allowed to remove these securities at this time? I am told, by the way, that the Disconto Gesellschaft, another of the German banks, also ‘shifted’ a mass of documents. But let us keep to the Dresdner. What influence intervened to protect the Dresdner Bank in diminishing to a serious extent the funds already in our hands for the payment of the war indemnity by Germany? I assume that the documents were got clear away, though I have heard that a hand more powerful than the Unseen intervened at the last moment to prevent actual shipment across the sea to Berlin. I have my doubts about that story, but in fairness, I must allude to it. Well, whoever protected the Dresdner Bank must have been somebody very powerful, somebody very keen to do the Germans a good turn, somebody very able to do it with certainty that his tracks would be successfully covered up, and that he could bar all investigation... Part of the business of German agents, in every part of the world, is to discover political secrets. Hence I conjecture that the reason why the unknown was so anxious to do the Germans a good turn was his knowledge of their ability to do him a very bad one. [The Dresdner Bank was the second largest bank in Germany and was one of the

four big “D” banks—Deutsche Bank, Dresdner, Disconto Gesellschaft, and Darmstadter—which were described in the *National Review* of March, 1925, as

95 per cent Jew-controlled.] ...

“I hinted that the Dresdner Bank knew something. Well, can we find the Dresdner Bank in the background of any politico-financial dealings during the last few years? Yes, we can. The biggest deal of that sort in recent years was the gigantic Marconi gamble, into which the astute insiders dragged Mr. Lloyd George so that his presence might protect them if they were found out. It was a characteristic trick of a very shady type... As I told the Cannon Street meeting a few weeks ago, there was great excitement when the Marconi Committee was sitting over a demand for the production of a certain list of people who got American Marconi shares at very advantageous prices. They got them at a figure which was equivalent to a gift of £2 a share. The list was never made public. It was only produced to the Committee upon the express stipulation that none of the names were to be disclosed and that there was to be no cross-examination on them. Clearly there was some name in that list about which the insiders were very anxious. Well, one of the names was that the Dresdner Bank. Somebody lurking behind that titution got a very large line of shares, equal to a profit of | to £5000. Not only was the real identity of this dividual concealed from the Committee, but every subsequent demand for its disclosure has been met with a stony silence. If that individual was a politician you need look no further for one explanation of the immunity of the Dresdner Bank. If the Dresdner Bank is in a position to say, ‘Shut our doors, and we open our

mouth,’ then its insolent defiance of public opinion no longer stands in need of explanation. “Such a position is one of peculiar menace... The Marconi undertaking is the brain of the war. Through it there are travelling to and fro all the myriad mandates from the centre at Whitehall to every point of our interminable battle line, by sea, land, and air. If Bernstorff [German

Ambassador to United States] had a secret wireless in Washington, do you think there is no secret wireless in England? If in the Marconi background we can discern either any German influence or any secrets capable of being used as means of German pressure upon any figure in English public life, we are in the presence of something that may be, a source of the gravest peril. We are in such case entitled to instant and complete disclosure.

“I have told you that the Dresdner Bank was in the secret list. I tell you also that during the big gamble of 1912 no fewer than 50,000 American Marconi shares went to Jacob Schiff, the pro- German schemer in the United States, who has done everything in his power to bring about peace on German terms. With Schiff in this business there was involved one Simon Siegman, a gentleman whose name doesn’t look particularly British. What was Schiff doing there, and what was Siegman’s particular role? What do Siegman and Schiff know about the inside of the Marconi gamble? I say deliberately, with a full knowledge of my responsibility, that not one-tenth of the Marconi dealings were disclosed to the bogus Committee which sat in 1913 to investigate. The

other nine-tenths are probably known to Schiff and Siegman. I suggest that they ought to be known to you as well. At any rate, look at one feature of the picture—the existence of a common fund of

250,000 American Marconi shares from which the participants in that huge gamble drew the numbers necessary for the completion of the transaction. Schiff and Siegman across the Atlantic made their deliveries from that fund. On this side it provided the shares dealt in by His Majesty’s then Attorney-General, the present Lord Chief Justice—and a multitude of other participants.”

“Secrets? Why, the whole Marconi background reeks with secrets. During the entire period of the negotiations between the Government and the Marconi Company immense transactions in Marconi shares were being conducted by a Mr. Ernest Cameron, of 4 Panton Street, Haymarket. Notice that I give you a name and address. Cameron keeps a modest voice-production academy. At the end of April, 1912, he had over 8000 English Marconi shares open with various brokers, and at this time

English Marconis were at nearly £9 a share. At the very first whiff that there were politicians in the background, Cameron's huge account was taken over at a cost of £60,000 by Mr. Godfrey Isaacs, the brother of the then Attorney-General. Now, I do not believe for an instant that the proprietor of a small voice-production academy could afford to run speculations to the tune of £60,000 at a time. All the facts, so far as we can discover them, suggest that there was somebody behind Cameron, somebody who had to be kept out of sight, even at the cost of £60,000. Of course, if the unknown were a politician or public official he might have been liable to impeachment—that is to say, to

what would be practically a criminal charge, triable before the full House of Lords. None of the Cameron dealings were disclosed to the Marconi Committee. The dealings could only have been carried on by somebody who knew the course of the extremely private negotiations with the Government. Nobody else would have dared to deal on such a scale.

“The unknown was not Mr. Godfrey Isaacs or the then Attorney-General, the present Lord Chief Justice. Both have made statements on oath which altogether preclude any such idea. The bulk of the dealings took place through Solomon and Co., of 14 Austin Friars, and Messrs. Quilhampton, of 4 Copthall Court. Observe, I give you the names and addresses of the brokers. The senior partner in Solomon and Co. was a naturalized Austrian named Breisach. He knows the secret. But Mr. Cameron was never summoned as a witness to tell the Committee whom he was dealing for. To this hour, in spite of repeated public demands, all information on the subject of the man behind Cameron has been refused by the Marconi ‘insiders’. Suppose, for a moment, that the man behind Cameron was a politician, a public official, or an official of the Marconi Co. In that case jernany

has an absolute death-grip upon him. She can confront him with an exposure which would mean not only political ruin, but social death. In the background of the wireless system which is a vital part of our equipment for winning the war, is it right that there should lurk even the possibility that Germany has got some wretched victim by the throat through her possession of such a secret as this?

“Some time after the Marconi Committee was shut down certain people initiated litigation of such a nature that it soon became evident that these mysterious proceedings were likely to be disclosed in the course of the proceedings. Thereupon one of the solicitors engaged—Sir Thomas Berridge (observe, no vague assertion but the name)—went to the Chief Liberal Whip and told him that if

the facts came out they would ‘dynamite the Party.’ If those facts were liable to ‘dynamite the Party,’ have we not a clear right to assure ourselves that they are not being used to dynamite the Empire? ... There are no doubt dozens more of these secrets in the Potsdam archives. They are part of the price you pay for allowing the squalid and sordid system of intrigue, selfishness, and corruption, known as Party Government, to hang like a millstone around the neck of the noblest Empire God ever made.

“Have I not told you enough, and more than enough, to justify the recent demand by Lord Leith of

Fyvie that the books of the German banks—aye, and of the German brokers — shall be examined

for three years prior to the war? Get that examination made by men who know treachery when they see it, and nothing done by our artillery on the Western Front will be in it for the destruction wrought among the German entrenchments in our public life. Look at one item in the recent report on these banks. It seems that a ‘large sum is due by one of the London managers of the Dresdner Bank, now interned. He is the son of the chairman of the bank, and securities for the debt are held

in Germany and cannot be realized.’ Doesn’t it strike you as very singular that a large sum of money should be paid out to the manager’s son in London against securities held in Germany? ... A large sum of money handed over to the manager’s son against securities in Germany is just the very device which would be adopted if it were necessary to disburse large payments to traitors in this country without leaving any traces which would enable them to be followed to their lair. An investigating committee composed of business men who could not be chloroformed by money, peerages, or ‘jobs’ and who were assisted by smart men like some of the Inspectors in Bankruptcy, might set

out on the track that leads to the traitor's den if it got to work on the books of these banks.

“Some of my learned friends in the Temple have warned me that if I speak about the Dresdner Bank I may commit a contempt of court. Some of the persons connected with the Dresdner Bank have commenced actions against the *Daily Mail*. Contempt or no contempt, I say it is an unspeakable outrage that any such person should be allowed at such a moment as this to bring an action against the *Daily Mail* or any other British newspaper... But the muzzling of the press has been part of the astute policy of the Unseen Hand. But for its intrigues the press would have been freed from all shackles at the very outset of the war, so that it might defend and foster patriotic interests. Instead of this, not one single thing has been done to protect the press against frivolous actions brought in the German interest. The late Government's appeal for the co-operation of the press was simply humbug, since protection against frivolous and vexatious libel actions was refused both to the press and the individual citizen. ...

“Even in the presence of the best that your hearts could wish ... the Unseen Hand would still be busy to betray you into an inconclusive peace... If the Unseen Hand cannot defeat you in the war it means to betray you into an inconclusive peace... Those who were willing to further the peace schemes of Speyer and Schiff last December have lost none of their mischievous propensities.

They would sooner be in office to negotiate a disastrous peace than be out of office as witnesses of an overwhelming victory. Somewhere in the background, manoeuvring these puppets, playing with

their two-penny-ha'penny ambitions, is the Unseen Hand—himself quite possibly some pretended friend of Mr. Lloyd George, since open hostility would by no means suit his cunning strategy. Mark my words, unless you insist upon the eradication of this devilish influence, the nearer you come to peace, the closer will be your approach to the ruin of all your hopes, the utter and irretrievable abortion of all your sacrifices in money, blood, and tears.”

Dr. Ellis Powell, in concluding, stated that Mr. Lloyd George and Mr. Bonar Law had stood between Britain and defeat the previous December at the hands of “the Speyer-clique.” He also further urged that the people should insist on knowing who had “arranged for the appointment of a naturalized German to be a British soldiers’ Judge of Appeal.”

Mr. Arnold White, in addressing the meeting, referred at length to the mysterious way in which Britain had allowed an extension of Norwegian territorial waters from the customary three miles accepted internationally to a four-mile limit. This extra mile allowed great American ships to slip through immune inside Norwegian waters with 10,000-ton cargoes of ore for Germany. He had enquired into this matter and he found that the political heads understood nothing of the significance of the extension of Norwegian territorial waters to which Britain had consented. Those who instigated it, in Mr. White’s opinion, knew exactly what it meant. But for that extension, he added, “it would have been impossible for the great American ships to have carried 100,000 tons of ore last year into Germany.”

* * * *

Following on this London meeting questions were asked in the House of Commons on March

13, 1917, inquiring what action the Government proposed to take in the matter. The answer was that no action was proposed.

At the Cannon Street Hotel meeting reported in the *Times* of March 22, 1917, a unanimous resolution called on the Government to close the German banks in London. The chairman, Lord Leith of Fyvie, urged that a commission should be set up to investigate the books of these banks for three years prior to the war. Mr. Ronald McNeill, M.P., in moving the resolution, said that for two and a half years they had endured the shame of seeing the Government carefully fostering enemy interests and enemy influences in the social, commercial and financial life of their country. The Government had financed the whole volume of acceptances of the German banks. What was the aim in doing so? Dr. Ellis Powell in seconding the resolution declared that the German banks in the city were part of a vast organization of betrayal.

The great outstanding fact of the war-time Hidden Hand agitation is that whenever it came to mention of names and specific instances the names were mainly Jewish. Before we go on to consider the more general aspects of our subject we shall in the next two chapters consider certain further episodes of the war and early post-war years.

Arthur Nelson Field was born into a prominent family in Nelson on 27 February 1882. His father, Thomas Andrew Hemming Field, had married Jessie Black on 24 May 1881, and Arthur was the eldest of their four children. His grandfather had established the hardware firm Wilkins and Field in 1880, and Arthur's father later became managing director. Thomas Field was also active in politics, serving as a city councillor for six years (two of them as mayor) and as MP for Nelson from 1914 to 1919.

Arthur was educated at Wellington College during a period when his father was managing the Wellington branch of Wilkins and Field. When the family moved back to Nelson, Arthur stayed on and began his career as a journalist. He was a sub-editor on the *Evening Post* from 1901 to 1905, then worked at the *Taranaki Herald*, the *Poverty Bay Herald* and the *Argus* in Melbourne. In 1907 he returned to Wellington to join the *Dominion* as a foundation staff member. He remained there until 1928, apart from a brief period in 1909 (when he was editor and proprietor of the *Citizen*) and service during the First World War. As a private in the Wellington Infantry Regiment in 1915-16, Field was wounded and discharged before joining the Royal Navy. He served on the staff of the commander in chief at Portsmouth and as a sub-lieutenant on the destroyer *Spenser* in the North Sea. Completing his service in 1919, he returned to the *Dominion*.

A well-known journalist, Field wrote a popular column for the *Dominion*, 'Without prejudice. Notes at random', under the pseudonym TDH (Tom, Dick and Harry). He also wrote a history of Nelson province in 1942. However, equally important was his role as a political activist. From January to November 1909 he published his own journal, the *Citizen*, to promote motherhood, eugenics and monetary reform, and to attack 'Maori obstructionists'. After the war he began to take an interest in extreme political movements such as *The Britons*, a patriotic society established in 1919 by Captain Henry Hamilton Beamish; it specialised in publishing the anti-Semitic forgery *Protocols of the meetings of the learned elders of Zion*. Beamish reciprocated this interest and talked of the influence of Field in his own thinking.

In 1928 Field returned to Nelson, where he devoted himself to writing political tracts. *The truth about the slump*, which he published in 1931, went through seven editions by 1942, and was reprinted as *All these things* by a right-wing Californian publisher in 1963. Between 1931 and 1942 Field published at least 10 books or pamphlets, with titles such as *The truth about New Zealand* (1939) and *Why colleges breed communists* (1941). The former was described by its author as the 'secret history of New Zealand' and warned that the country faced 'ultimate bankruptcy and slavery'. A strong theme throughout these

publications, and the explicit focus of at least four, was Field's belief in a Jewish conspiracy to enslave the capitalist and Christian world. He offered such views to the Government Monetary Committee in 1934, and the same year published *The world's conundrum*, in which he claimed to expose 'universal Jewish despotism'. Similar themes were explored in *To-day's greatest problem* (1938). From 1936 to 1939 he edited the *Examiner*, another right-wing newspaper.

Arthur Field was one of a small band of active anti-Semites who combined a belief in a Jewish conspiracy with a commitment to monetary reform. His views were similar to those of Major C.H.

Douglas and particular factions of the social credit movement. Although Field's influence within New Zealand was limited, a number of international activists saw him as an important figure. A.K. Chesterton, a member of the *British Union of Fascists*, and founder of the *League of Empire Loyalists* and the *National Front*, publicly acknowledged his debt to Field, as did Eric Butler, founder of the *Australian League of Rights* and himself the author of a major anti-Semitic book. Several of Field's books were re-issued by American right-wing publishers in the 1960s and 1970s. Within New Zealand, most of the public interest in his publications disappeared with the start of the Second World War, during which his activities were closely monitored by the Security Intelligence Bureau. He continued to write until the late 1950s, however, and in later years was a familiar figure riding about his neighbourhood on an old bicycle.

Arthur Field donated his collection of right-wing and fascist publications to the Alexander Turnbull Library, and the more than 650 items from the 1890s to the 1960s represent one of the most complete collections of such material available anywhere. He never married, and died in a private hospital in Nelson on 3 January 1963.

Paul Spoonley

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THE BRETTON WOODS PLOT

BY

A. N. FIELD

1957

By the same author:

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All These Things
The Truth About New Zealand
The World's Conundrum
Facts About the Bank of England
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Why Colleges Breed Communists. 2s. 6d.
Nelson Province, 1642-1842, 4s.

ERRATA.

Page 45, first par line 4, and also third par line 1, instead of 1944
read 1945.

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Conspiracy and Conspirators

(1) TIMING THE TRAP

On May 17, 1944, the Allied Supreme Command in the second world war tentatively fixed June 5 as D-Day for the invasion of Normandy. This was the most important decision of the war and a jealously guarded top secret. Nine days after the decision was taken, and eleven days before the invasion actually began on June 6, New Zealand, in common with many other countries, on May 26 received an invitation from Washington to an international monetary conference to open in the United States on July 1. The conference met at Bretton Woods, New Hampshire, and lasted until July 22. It adopted an agreement constituting an International Monetary Fund and an International Bank. This project had previously been known as the White Plan, after its author, the late Harry Dexter White, then Assistant Secretary of the United States Treasury, and in contradistinction to the Keynes Plan for an International Clearing Union, framed by the late Lord Keynes on behalf of the British Treasury.

When the Bretton Woods Conference met on July 1, 1944, the whole issue of the war was swaying in the balance. When it dispersed on July 22 the Allied armies were still fighting with their backs to the sea, penned in within a few miles of their initial landing points, and the German front was holding solidly. The overwhelming interest of the whole world, including

the delegations at Bretton Woods, centred on the titanic struggle going on in Normandy. The one and only thing that mattered was the maximum flow of munitions in to Normandy. A huge part of that flow consisted of American Lend-Lease aid. The nations were comrades in arms fighting side by side. The United States had been most generous. If it wanted a money agreement signed, it was no time for higgling and haggling. Anything dubious or obscure must be left over for revision and clarification when victory was assured.

On March 11, 1941, nearly nine months before America entered the war, Congress had passed "An Act to Promote the Defence of the United States", a measure more commonly known as the Lend-Lease Act. It empowered the President of the United States, then a neutral in the war, to supply "defence articles" of all kinds and to unlimited extent, to "any country whose defence the President deems vital to the defence of the United States". In return for thus being enabled to promote the defence of the United States, the belligerent nations were to give "payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory".

On February 7, 1941, when the Lend-Lease Bill was before Congress, Mr. Arthur Krock, Washington correspondent of the New York Times, made the following comment on it: "The suspicion is, and for some time has been, that the American and British New Dealers who have most influence with the President aim at a socialisation of industry in both countries after the war, that the form of the Lend-Lease Bill will assist in bringing about that result here; and that Ambassador Winant was selected as best liaison officer to that end with Britons of like mind."

The most prominent of these like-minded Britons was the late Lord Keynes, then Mr. J. M. Keynes, who

from the outset had been a strong admirer of the Roosevelt New Deal of economic regimentation. In December, 1933, Mr. Keynes had addressed a long open letter to President Roosevelt eulogising the New Deal and telling Mr. Roosevelt how to run it, and in particular to borrow money wholesale and spend likewise. The letter was widely published in the American press. The Keynes post-war money plan was for an International Clearing Union jointly controlled by Britain and the U.S.A., issuing an international currency to be supplied freely to nations conducting their affairs in accord with Keynesian planned economy ideas, and with the U.S.A. putting its financial weight behind the institution. Mr. Harry Dexter White, Mr. Keynes's opposite number in America, had quite other views and also a more forceful personality than Lord Keynes. The Keynes Plan did not survive as a subject for consideration by the conference of 1944.

In 1942 the recipients of Lend-Lease aid were required to sign agreements indicating the benefits they were to provide to the United States in return for the privilege of promoting its defence. They each undertook to enter into "agreed action" with the United States, open to participation by all other countries of like mind, and directed to the expansion of "production, employment, and the exchange and consumption of goods", plus the "elimination of discriminatory treatment in international commerce, and the reduction of tariffs and other trade barriers."

When the guns began to roar in Normandy the allied nations were summoned to Bretton Woods to learn what was required of them in monetary matters. They were presented with a long and complicated agreement, and so drafted that it was extremely difficult to arrive at a full understanding of it. The terms of this agreement have proved so onerous in practice that most of the 58 countries ratifying it are in default on their full obligations under it and can be called to

account at any time, in which event the majority of them would be bankrupt. These defaulters include Britain and the other British countries in the Fund.

New Zealand is the sole British country which has remained outside of the Bretton Woods Monetary Fund and World Bank. A year ago, the Monetary Royal Commission set up in 1955 reported that the advantages of membership were such that New Zealand should join the Fund and the Bank. This pamphlet is written for the purpose of demonstrating the following things:

- (1) That the Royal Commission report omits all reference to the most important clause in the Bretton Woods Agreement, and by that omission the whole case presented in the report falls to the ground.
- (2) That had the gold parity requirements of the Bretton Woods Agreement been in force in New Zealand in 1931-1934 this country would have been completely ruined financially; that ratification of the Agreement would expose us to future disaster; and
- (3) That recent revelations in the United States, coupled with certain terms of the agreement itself, raise very strong suspicion that the Bretton Woods Agreement was designed for the purpose of creating discord between the U.S.A. and other members of Fund to the advantage of Soviet Russia.

Our recent New Zealand Monetary Commission was given no direct instruction to get at the facts of the matter with which it was dealing. Its field of inquiry was not facts but representations. Its terms of reference laid it down that it was "to receive, inquire into, and report upon representations regarding:" (a) any monetary, banking and credit proposals which might be suggested, plus (b) the existing system and (c) any associated matters. The representations

or statements concerning Bretton Woods put in by the Reserve Bank and the Treasury both omit reference to the most important clause in that agreement.

(2) THE CHIEF ARCHITECT

Had the Monetary Commission been given a direct instruction to report on the advisability or otherwise of ratifying the Bretton Woods Agreement it might very easily have lighted on an American Government document reprinted here, in Wellington, New Zealand, by authority of the United States Public Information Service. This is a report on Interlocking Subversion in Government Departments made by the Internal Security Subcommittee of the U.S. Senate on July 30, 1953 (1). On fifteen of its fifty pages there are references to the activities of the late Harry Dexter White, former Assistant Secretary of the U.S. Treasury and who, on page 30 of this report, on the authority of a U.S. State Department publication, is described as "chief architect of the International Monetary Fund". White is listed in the report as leading member of a Communist spy ring planted in the U.S. Treasury, and it is stated (page 21) that although he died shortly after denying the testimony of two witnesses against him in 1948, he "was clearly implicated when notes in his own hand were found among the Chambers documents" later on.

In passing, it is worth noting that in 1944 this Treasury spy ring was intensely eager for advance information about the date of D-Day (p. 18). White, according to the report, was the most useful agent the Soviet had for planting spies in U.S. Government Departments, his recommendations carrying great weight everywhere. White, according to the evidence, was

(1) The members of the Subcommittee were: Senators W. E. Jenner (chairman), A. V. Watkins, R. C. Hendrickson (later U.S. Ambassador to N.Z.), H. Welker, J. M. Butler, P. McCarran, J. O. Eastland, O. D. Johnston, and (to his death on June 30, 1953) Senator Willis Smith.

supplying confidential U.S. Treasury information to the Soviet from the thirties onwards, and was first named as a spy by Whittaker Chambers in a statement to the Federal Bureau of Investigation in 1941.

The Interlocking Subversion report says the subcommittee publicly examined "36 persons about whom it had substantial evidence of membership in the Communist underground in Government". All refused to answer questions on the ground of self-incrimination. Of these persons it is stated:

"They used each other's names for reference on applications for Federal employment. They hired each other. They promoted each other. They raised each other's salaries. They transferred each other from bureau to bureau, from department to department, from congressional committee to congressional committee. They assigned each other to international missions. They vouched for each other's loyalty and protected each other when exposure threatened...

Virtually all were graduates of American universities. Many had doctorates or similar ratings of academic and intellectual distinction" (p. 23). In the introduction to the report, it was noted that "except in a few cases, all of these agents, despite the record of their subversion, had escaped punishment and some, in positions of influence, continued to flourish even after their exposure".

Harry Dexter White died suddenly and unexpectedly on August 16, 1948, three days after appearing at his own request in denial of charges that he was a Communist agent. In November following, Whittaker Chambers, chief witness against Alger Hiss, was challenged to produce documentary evidence of Hiss's guilt. Chambers thereupon produced a canister of microfilms of secret Government documents given to him by Hiss and others for transmission to Russia. Among them was an instalment of a diary in White's handwriting of confidential U.S. Treasury doings of interest to Moscow.

White being dead, no question of proceedings against him arose. There the matter rested until on November 6, 1953, the Attorney-General of the United States, Mr. Brownell, asserted in a speech at Chicago that President Truman in 1946 had appointed White to the most important post he ever held—U.S. director of the International Monetary Fund—in face of two reports by the Federal Bureau of Investigation that White was a spy.

Mr. Truman immediately said in reply: "I know nothing about any such FBI report. . . As soon as we found out White was disloyal we fired him". It was then revealed that White had not been fired, but had resigned with a laudatory letter from Mr. Truman. Mr. Truman thereupon retorted: "White was fired by resignation".

Mr. James F. Byrnes, Governor of South Carolina and formerly Secretary of State under Mr. Truman, next intervened in the controversy. He said that on February 6, 1946, two FBI reports on White came to hand. He at once urged Mr. Truman to do one or other of three things. (1) Get the Senate to revoke the appointment; (2) confront White with the reports and force him to withdraw, or (3) refuse to commission him. The President did none of these things.

The significant thing is that none of the parties to the controversy expressed the least doubt of White's guilt. White became first U.S. director of the International Monetary Fund and held office for eleven months, until he abruptly resigned in April, 1947. He was not known to be a member of the Communist Party. The evidence was that over a period of nine or ten years he had acted as a Soviet spy and agent in the Treasury.

Immediately following on this heated press controversy between the ex-President of the United States and its present Attorney-General the Senate Security Subcommittee sought to learn two things: (1) What

had the FBI told Mr. Truman about White? (2) Was White left in his Monetary Fund post to enable the FBI to gather more information about the spy ring? To obtain this information the Subcommittee subpoenaed the Attorney-General, Mr. Brownell, and the Director of the Federal Bureau of Investigation, Mr. J. Edgar Hoover.

The Attorney-General in his testimony pointed out that the question to be decided by the Truman administration in January and February, 1946, was not whether criminal proceedings for espionage should be instituted against White, but whether White should be advanced to a post of high honour, great trust and responsibility, and of vital importance to the security of the country. On February 6, 1946, President Truman's nomination of White as U.S. executive director of the International Monetary Fund was confirmed by the Senate, and White entered on his duties on May 1 of that year. What information about White had the FBI supplied to the President prior to White's nomination? On December 4, 1945, the FBI transmitted to the White House for the President's information a secret and highly important report of 71 pages on "Soviet Espionage in the United States". This was a general report and only summarised White's activities in abbreviated form, but sufficiently to warn anyone who read it of the extreme danger of appointing him to the Monetary Fund or continuing him in Government in any capacity. The report had been preceded by an FBI letter on November 8, 1945, stating that vigorous investigation was being made into information that 12 Government officials named in the letter had been furnishing data and documents to an intermediary for transmission to agents of the Soviet Government. The documentary matter transmitted averaged when photographed about 40 rolls of 35mm. film fortnightly. On February 4, 1946, a special FBI report on White was sent to the President. Mr. Brownell said the accuracy of the information might be gauged from the fact

that eight of the persons named in it as close associates of White had since exercised their constitutional right to refuse to answer questions on the ground of self-incrimination, while one other had admitted Communist Party membership, and another had been convicted of perjured denials of Communist and espionage activities. Summing up the situation with regard to White the witness said:

"Of course, no one could, with any validity, suggest today that there is any doubt that White was in this espionage ring."

Such is the view of the Attorney-General of the United States of the character of the principal architect of the International Monetary Fund which a New Zealand Royal Commission has recommended this country should join.

Mr. J. Edgar Hoover, head of the Federal Bureau of Investigation, in his evidence said that the FBI had interviewed White as early as March, 1942, on which occasion he had spent more time in denouncing investigators than in furnishing facts. On November 7, 1945, Miss Elizabeth Bentley (the intermediary collecting information from the Treasury spy ring and passing it on to the Soviet) had informed the FBI in considerable detail of her career. A letter was sent next day to the White House, and investigation continued of the Bentley material, along with that previously received from Whittaker Chambers and other sources. From November 8, 1945, until July 14, 1946, seven communications bearing on espionage were sent to the White House in all of which White was specially mentioned. The 28-page summary concerning White, handed in on February 4, 1946, contained information from 30 sources, the reliability of which had been previously established. Of Miss Bentley, the principal witness against White, Mr. Hoover said:

All information furnished by Miss Bentley, which is susceptible to check, has proven to be correct. She

has been subjected to the most searching of cross-examinations; her testimony has been evaluated by juries and reviewed by the courts, and has been found to be accurate".

Mr. Hoover further said the FBI was not a party to any agreement to move Mr. White from the Treasury to the International Monetary Fund to aid further investigation. The change was a hindrance, not a help, to surveillance of White, as the Fund was outside U.S. jurisdiction, and its premises extra-territorial and the FBI had no right to follow persons on to its property. (Facts vide Time 16, 23, 30/11/53).

(3) WHITE'S DOINGS IN 1944

The handiwork of Harry Dexter White at the Bretton Woods Conference of July, 1944, requires to be studied in the light of his other activities during that year. We have already noted the eagerness of the Treasury spy ring, of which White was a member, for advance information of the date of D-Day. Nine days after Allied Supreme Headquarters had secretly fixed the date the invitations to Bretton Woods were issued. Elizabeth Bentley, principal witness against White, and go-between contact with the Soviet Embassy, tells how a member of the ring boasted that he had got the date of D-Day nine days ahead of time. In her book *Out of Bondage* she adds (p. 198):

"Around this time he also brought me samples of the marks the United States was preparing for use in the German occupation. The Russians were delighted as they were planning to counterfeit them. However, due to a complicated ink process this proved impossible—until I was able to arrange through Harry Dexter White that the U.S. Treasury Department turn the actual printing plates over to the Russians!"

According to *New York Time* (23/11/53) the Russians printed millions of marks from the plates supplied by White. The *New York Times*, in its Sunday

edition of December 12, 1949, stated that the American Army used these occupation marks in Germany to pay its troops and meet occupation expenses. Investigating senators returned from Germany said General Clay, Deputy U.S. Military Governor, informed them that the intake of U.S. occupation marks had been greater than the issue. The highest denomination note issued by the U.S. was for 100 marks, but in March, 1949, there were 46,022 U.S. 10,000-mark notes in the banks in the American zone, as well as "very large quantities" of 500 and 1000 mark notes which had been printed by the Russians from plates supplied by the U.S. Treasury. The Russians had found no difficulty in inserting extra ciphers on the plates. Preliminary inquiries had indicated that at least 400,000,000 U.S. dollars had been given in exchange for Russian-printed notes. Senator Bridges stated that Russian troops, who had not had a pay-day for a long time, received a large supply of U.S. marks in pay on arrival in Germany and many went about with brief cases bulging with them, buying articles from U.S. soldiers at extravagant prices, many of the Americans then changing the notes for dollars and sending the money home to the U.S.A.

Besides thus playing the role of fairy godfather to the Soviet troops in Germany at the expense of the American taxpayers, the author of the Bretton Woods Agreement in 1944 rendered further valuable assistance to Moscow According to the Bentley evidence quoted in the Interlocking Subversion report (p. 30), Moscow wanted a plan adopted for the complete razing of German industry at the end of the war, so that Germany would no longer be a barrier to protect the Western World against the spread of Communism. Harry Dexter White was set to work on that. "And on our instructions," said Miss Bentley, "he pushed hard".

At this date White's chief, Mr. Morgenthau, Secretary of the U.S. Treasury, was chairman of a committee on post-war economic planning. New York

Time (23/11/53) relates what happened: "One of White's greatest triumphs, although a short-lived one, was the Morgenthau plan for post-war Germany. The plan called for the destruction of nearly all German industry, and reduction of Germany to a 'pastoral state', plus early withdrawal of all U.S. troops. This, of course, would have left Germany—and all European easy prey to Communist domination.

"After White wrote the plan, Morgenthau, bypassing the State and War Departments, took it to the Quebec Conference in September, 1944. There Morgenthau and White pushed through approval of the plan by Roosevelt and Churchill. White had taken pains to inform Lord Cherwell, Churchill's personal assistant, that British requests for U.S. funds would be greeted with much greater favour if Britain approved the White-Morgenthau plan...."

The plan was immediately published, but was not well received, and was quietly dropped. It was useful to Moscow, nevertheless, in that it stiffened up German resistance to the point of total collapse.

In the first of the above related happenings, we find the author of the Bretton Woods Agreement putting the interests of Soviet Russia high above his duty to the United States, and in reckless indifference to the interests of the American taxpayers. In the second case, White likewise acted in total disregard of the interests of America's other allies. The matter at hand does not state exactly at what date the U.S. currency plates were given to Russia, but the evidence is that around the date of D-Day the U.S. Treasury spy ring, of which White was a member, supplied the Soviet with samples of U.S. occupation currency for counterfeiting. The position thus appears to be that just before proceeding to Bretton Woods, White had put Soviet interests first, with United States interests nowhere, and just after Bretton Woods the Soviet stood first with him, and America's allies nowhere. In

between—we are expected to believe—White piloted through the Bretton Woods Agreement in a pure and disinterested spirit of goodwill towards all men (1).

At this point it may be noted that although born in the United States, Harry Dexter White was of East European antecedents on both sides. According to the issue of *Time* quoted above, his parents were Jacob and Sarah Weit, immigrants from Lithuania, then a province of Russia. White himself married a Russian-born lady. His father started in Boston as a peddler, but the family later owned four hardware stores there.

Before considering what was done at Bretton Woods, it is useful to take notice of the circumstances under which it was done. To begin with, there was preliminary negotiation prior to the conference between Lord Keynes and Mr. White. In a letter published in the Harrod biography John Maynard Keynes is a reference to this negotiation. Keynes wrote as follows to the Chancellor of the Exchequer in London:

"On the Saturday Harry White proposed that we should mutually initial the final document and exchange letters. On the Monday I carried out my part. But he made excuses why he should not initial or confirm anything. I was much annoyed for a moment. During the war I have altogether spent five months in close negotiation with the United States Treasury and on no single occasion have they answered any

(1) In addition to her gains by counterfeiting, Russia got U.S. Lend-Lease aid to the value of \$11,298,000,000, giving \$2,000,000 in reverse aid. Furthermore, an enormous amount of U.S. armament was left behind in Europe and disappeared. A N.Y. "Economic Council Letter" (1/5/49) said: 'Some of this material is at this moment being used by the Soviet to conquer China. Ex-President Hoover in his report on the military budget said: "The Army has stated that it has material sufficient to equip only 18 divisions; although at the end of the war it had some 89 fully equipped divisions and great additional quantities of material in the pipe line. . . ." Frank Hanighen in the weekly supplement "Not Merely Gossip" indicates that the scandal of the disappearance of this material may exceed that of Pearl Harbour.'

single communication of mine in writing, or confirmed in writing anything which has passed in conversation. In this my experience is not unusual. I doubt if anyone has seen Harry White's initials".

New York Time (23/11/53) asserted that in their negotiations White bullied Lord Keynes, on one occasion sneeringly calling him "Your Royal Highness". This, it said, offended Keynes as an insult to the Crown. Keynes's biographer, Mr. R. F. Harrod, however, describes White as "a remarkable figure who should be accorded an honourable place in British annals. He was a reformer of genuine convictions". He added that probably "but for White's assiduity and galvanic personality a large scheme of the kind for which Keynes was working in Britain would never have seen birth at Bretton Woods".

(4) WHAT HAPPENED AT BRETTON WOODS

The Bretton Woods Conference was attended by delegations from 44 countries. It was supplied with a secretariat, headed by Mr. Warren Kelchner of the State Department as Secretary-General; with Mr. Frank Coe as Technical Secretary-General; and Dr. Philip C. Jessup as Assistant Secretary-General (vide N.Z. Parliamentary Apps. A-8, 1944). The names of the two last-named gentlemen appear in the U.S. Senate Interlocking Subversion report of 1953 previously mentioned. References to Mr. Coe occur on eight pages. Dr. Jessup is mentioned in a footnote only, but reference is made on seven pages to the Institute of Pacific Relations, of which he was chairman. Mr. Morgenthau, Secretary of the Treasury, was elected president of the Conference; Mr. Harry Dexter White was chairman of the No. 1 section setting up the International Monetary Fund; and Lord Keynes was in charge of the No. 2 International Bank section.

Mr Virginius Frank Coe was first named as a Communist in a list of 27 names of Government officials

handed in by Whittaker Chambers on breaking with the Soviet spy apparatus in 1939. Chambers gave the list to Mr. Adolf Berle, Assistant Secretary of State for Security in the Roosevelt Administration. No action followed on it for several years, during which time the persons named advanced steadily in office. In 1941 Chambers, on being interviewed by the FBI again named Coe along with 28 others. In 1948 Elizabeth Bentley publicly testified that Coe was a member of an underground Communist spy ring in the Treasury. Coe, on oath before the same committee, said the Bentley evidence was "entirely false", he was never a Communist; never followed the Red line; and never gave official data to Soviet agents. He declared that Miss Bentley had wickedly slandered him. At the time Coe looked invulnerable. He had succeeded White as Director of Monetary Research at the Treasury and had continued upwards from post to post. In May, 1946, White became first U.S. Director on the International Monetary Fund, and in June, 1946, Coe was appointed Secretary of the Fund. Coe held office undisturbed for six and a half years, drawing a tax-free salary of 20,000 dollars a year. On December 1, 1952, he appeared on subpoena before the Senate Internal Security Subcommittee, and 65 times over exercised his constitutional right to decline to answer questions that might incriminate him. Two days later the Fund announced that Mr. Coe had resigned—by request. (Vide *Interlocking Subversion and Time*, 15/12/52). Dr. Philip C. Jessup is mentioned personally in *Interlocking Subversion* only once (p.9), and merely as having recommended Alger Hiss (later convicted of perjured denials of Communist espionage) as an Institute of Pacific Relations delegate. This latter body, of which Dr. Jessup was chairman, was earlier investigated by the Senate Security Subcommittee and found to be infiltrated by Communists. The report stated that "a group of these individuals influenced the State Department with disastrous results to American far

eastern policy" (p.21). Another publication at hand notes that in 1951 the Senate failed to confirm President Truman's nomination of Dr. Jessup as a U.S. delegate to United Nations after its attention had been directed to the fact that 60 officials and writers of the TPR had been named as espionage agents in sworn testimony before various Congressional committees.

The scene of the world-famed monetary conference held under the above auspices was a large hotel at a secluded resort in the interior of New Hampshire about 150 miles north of Boston. A thirty-year-old road guide at hand gives the population of Bretton Woods as then totalling 50 persons, plus two hotels, one with 350 rooms and the other with 200. The restful tranquillity of the locality was very much disturbed from July 1 to 22, 1944.

On July 21, when all was over except the formal signing of documents, a very much exhausted Lord Keynes wrote a letter to Sir John Anderson in London describing the proceedings. This letter appears in the Harrod biography of Keynes, and from it the following is extracted:

"The pressure of work here has been quite unbelievable. It is as though, in the course of three or four weeks, one had to accomplish the preliminary work of many interdepartmental and Cabinet committees, the job of Parliamentary draftsmen, and the passage through several Houses of Parliament, of two intricate measures of major dimensions, and all this carried on in committees and commissions, numbering up to two hundred persons in rooms with bad acoustics, shouting through microphones, many of those present, often including the Chairman, with an imperfect knowledge of English, each wanting to get something on record which would look well in the Press at home, and one of the most important Delegations, namely, the Russians, only understanding what was afoot with the utmost difficulty and expense of time. On top of

this the Press . . . And each of the Delegations expects some measure of social and personal consideration. . . We have all of us worked every minute of our waking hours practically without intermission for what is now four weeks . . . sitting in committees night after night up to 3.30 a.m., starting again in the committee at 9.30 next morning. . . At one moment Harry White told me that at last even he was all in, not having been in bed for more than five hours a night for four consecutive weeks . . . But all of us from the top to the bottom ... are all in. . . The official papers of the conference, some of them of great length, number nearly 500; and in addition much written matter has passed between us, not to mention telegrams to and from home."

A view of the Bretton Woods conference from quite another angle is given in a report to the National Economic Council, Inc., an organisation with headquarters in New York, and on whose behalf Mr. Samuel Crowther, the author, attended the plenary sessions. Mr. Crowther was a very critical spectator, suspicious that America was about to be raided by a lot of needy foreign Finance Ministers. He described the gathering as led by nobody, and dominated negatively by the large Russian delegation, made up mostly of men who spoke nothing but Russian, and did no mixing with the other delegates. The Russians demanded a large voting power and a large borrowing power. "They were all set to make a raid and get what they wanted. They also insisted that they put up a minimum amount of gold and a maximum amount of promises. They refused to disclose any facts on their gold or other holdings. They made their demands as of right, practically as orders from Stalin to the conference. They answered no questions and made no decisions except on their cabled instructions. They did not bother with argument or logic. . . They said that the American experts had agreed, before the meeting, that they would be specially favoured in the mat-

ter of putting up gold, and they charged bad faith. To this the New Dealers replied that there was no dispute at all, but only a most unfortunate Russian misunderstanding of the English language. This brings a new vista of what happened at Teheran."

Of the American leadership, Mr. Crowther said *inter alia*: "There was a complete absence of candour in describing the stabilisation fund and the lending institution which were proposed, and also in the official announcements of what happened. . . Both schemes are mixed up with the fantastic debt theories of Lord Kevnes which were adopted by the New Dealers to explain why they had printed money to get votes. . . The final statement by Secretary Morgenthau was utterly disingenuous. The higher Administration officers who were members of the [U.S.] delegation and who would be expected to take a leadership were not only without leadership ability but also were so slightly informed as to the subject matter of the Conference that they were unable to participate in the discussions in any serious way. They had to rely almost entirely on speaking pieces written for them by others. The technical advisers mostly acted as though they were teaching classes. Thus there was no one to stand up before the Russians and talk brass tacks." (Vide London Patriot 31/8/44).

With the vociferous Russians continually on their feet with demands and objections, all shouted through microphones by themselves and their interpreters, it was small wonder if at the end of twenty-one days of this sort of thing few of the delegates had any very clear idea where the proceedings had got to. In the light of subsequent revelations, it is obvious that Russia was present for the purpose of creating confusion. Having viewed the Bretton Woods tree, we now turn to its fruits.

A Quicksand of Deceit

(1) THE DOCUMENT EXAMINED

For the assistance of the reader unversed in monetary matters a few elementary facts require noting before we proceed with our story. The first thing to bear in mind is that money is a measure of value. If we are to have justice and order in our affairs our first need is money that is a true and honest measure of value, stable in its purchasing power over commodities. This simply means that the same common honesty on which civilised human intercourse is based must prevail in the sphere of money just as much as elsewhere. A dishonest and unstable money unit distorts all human relations, and wreaks injustice in almost every transaction into which money enters. Nothing is more certain than that if the nations fail to correct the present ever-increasing disorder in their monetary systems, our whole existing civilisation will topple headlong to ruin. It is not fishy, fantastic nonsense such as Social Credit that is wanted. All that is needed is plain common honesty in high places. Without that we are doomed, and justly doomed. That is the world's lack today. Its trouble is spiritual, not economic. And it is a very sick world.

The second thing to remember is that it is not what money is made of, or based upon, that determines its wealth-value—in other words, its purchasing power over commodities and services. The value of money, like all other economic values, is based on demand and supply. Double the volume of money and, with goods and services unchanged, prices will very soon double.

Halve it, and prices will be cut in half. These remarks apply to the general price level of commodities as a whole as shown in the price indexes compiled in all countries. Even with the price level steady, the prices of all the individual commodities will go on bobbing up and down like the waves of the sea according to the demand and supply of each. The supply of money, like the tides of the ocean, is the big factor determining the level at which the waves break against the shore even in the greatest storm. Great institutions have been built up to control the supply of money, and by that control to control the world and everything in it.

The most powerful money-machine in the world today is the United States Federal Reserve Board controlling the U.S. dollar, and with vast powers to expand or contract currency and credit at will. The purpose of the Bretton Woods International Monetary Fund is to bind the money systems of all member nations rigidly to the U.S. dollar by means of fixed exchange rates and free convertibility. Free convertibility means that the Government or central bank of a country belonging to the Fund is bound to sell U.S. dollars at the fixed exchange rate and in unlimited quantity to any person requiring dollars in payment of current transactions, and presenting the necessary sum in local money.

In practice, free convertibility means that the amount of money in circulation in a Fund country will depend upon the quantity of U.S. dollars the central bank of that country possesses. It must so arrange things that the demand for dollars is never in excess of the dollars it has at command. If dollars are scarce, it must make its own local currency equally scarce. This, of course, means that it must tighten up money conditions all round, thus forcing down prices and wages, which, in turn, means increasing the burden of all debt—Government debt, local debt, mortgage debt, overdraft debt, &c, &c. On the other hand, should the

dollar supply increase, the local money supply can likewise be increased, with a consequent increase in commodity prices and wages. As the United States exports much more than it imports, has done so for many, many years past, and looks like doing so for many, many years to come, the present and future prospect is for a continuing shortage of dollars all over the world, except in some few countries producing in large quantity the raw materials which the United States imports extensively, such as rubber and other products, mostly tropical.

The position thus is that the money basis which is the foundation of the Bretton Woods Agreement is not one that Britain or any other country—except perhaps some few small tropical countries with a fat dollar balance—would ever think of adopting unless its rulers were insane. The Bretton Woods Agreement was a product- of one thing, and one thing only—a gang of university-bred Communist spies planted in the U.S. Treasury, plus D-Day in Normandy. Without the latter, the entire effort would have fallen as flat as a pancake (1).

Even with the excitement of D-Day and after to distract attention from their legerdemain, the underground stage-managers at Bretton Woods had to proceed with the greatest caution. Their masterpiece of draughtsmanship in that quicksand of deceit the Bretton Woods Agreement is the opening clause in Section 5 of Article IV of the International Monetary Fund constitution. The rest of Section 5 is not very interesting, but to bring the picture into focus it is necessary to print the whole of it. The term par values is equivalent to exchange rates:

SECTION 5—CHANGES IN PAR VALUES

(a) A member shall not propose a change in the par value of its currency except to correct a fundamental disequilibrium.

(1) It is obvious, of course, that the Communist-contrived Bretton Woods trap could not have been sprung had the U.S. financial interests disapproved of it.

(b) A change in the par value of a member's currency may be made only on the proposal of the member and only after consultation with the Fund.

(c) When a change is proposed, the Fund shall first take into account the changes, if any, which have already taken place in the initial par value of the member's currency as determined under Article XX., Section 4. If the proposed change, together with all previous changes, whether increases or decreases, (i.) does not exceed 10 per cent of the initial par value, the Fund shall raise no objection; (ii.) does not exceed a further 10 per cent of the initial par value, the Fund may either concur or object, but shall declare its attitude within 72 hours if the member so requests; (iii.) is not within (i.) or (ii.) above, the Fund may either concur or object, and shall be entitled to a longer period in which to declare its attitude.

(d) Uniform changes in par values made under Section 7 of this Article shall not be taken into account in determining whether a proposed change falls within (i.), (ii.) or (iii.) of (c) above.

(e) A member may change the par value of its currency without the concurrence of the Fund if the change does not affect the international transactions of members of the Fund.

(f) The Fund shall concur in a proposed change which is within the terms of (c) (ii.) or (c) (iii.) above if it is satisfied that the change is necessary to correct a fundamental dis-equilibrium. In particular, provided it is so satisfied, it shall not object to a proposed change because of the domestic social or political policies of the member proposing the change.

The foregoing is the actual text of the Bretton Woods Agreement as printed in the New Zealand Parliamentary Appendices for 1944, A—8, page 21, and also issued separately under title United Nations Monetary and Financial Conference, price 1s. 3d. at the Government Printing Office. It is not light reading.

Next in order we will see what the New Zealand Monetary Royal Commission report of 1956 has to say. The relevant passage will be found on page 182. It reads:

Arguments Against Joining. Loss of Sovereignty in Respect of Exchange Rates and Exchange Restrictions.

822. Members of the Fund lose most of their freedom to alter their exchange rates at will, in that they agree to accept the authority of the Fund in this matter and are required to consult with the Fund before taking action.

823. For changes up to 10 per cent in total the Fund can raise no objection. In respect of another 10 per cent the Fund must concur or object within seventy-two hours. For further alterations the Fund is entitled to a longer period (not specified) in which to declare its attitude. (Article IV.)

824. A member making an unauthorised change in the par value of its currency may be denied the use of the Fund's resources and may be expelled from the Fund in terms of Article XV (2) (b). France at one time was denied access to the Fund's resources, but no country has been expelled on these grounds.

825. The Fund must concur in a change of par values if it is satisfied that the change is necessary to correct "a fundamental disequilibrium". This term is scarcely capable of a precise definition and its interpretation is in the hands of Fund members.

The reader will notice that in the above four paragraphs there is no mention whatever of the all-important opening clause of Section 5 of Article IV. of the Bretton Woods Agreement. Nor is there reference to this clause elsewhere in the report. The four paragraphs are a paraphrase of what appeared in the "representations" or statements submitted to the Commission by the Reserve Bank and the Treasury. These statements are printed in the Reserve Bank book *Monetary and Fiscal Policy in New Zealand*, published in 1955.

The Reserve Bank representation was: "Members of the Fund lose most of their freedom to alter their exchange rates at will, in that they agree to accept the authority of the Fund in this matter and are required

to consult with the Fund before taking action. The Fund has the right to object if it considers the proposed change is unsound, but is also required to approve in certain circumstances" (p. 184).

The Treasury representation, after two opening sentences, says: "Furthermore, each member undertakes not to change the par value without consultation with the Fund. For changes up to 10 per cent in total the Fund can raise no objection." After a few lines about changes beyond 10 per cent and unauthorised changes, the statement adds: "In many ways this is the most onerous obligation imposed on members. The Fund must concur in a change of par values if it is satisfied that the change is necessary to correct a fundamental disequilibrium." (p. 159).

(2) TWISTY DRAUGHTSMANSHIP

Ten and eleven years ago in the early days of the Bretton Woods discussion a great many eminent people missed the core of the matter, as does our Money Report of 1956. Even in New Zealand, however, there were a few dissentients. The Auckland Mirror in February, 1946, summed up the case. It noted statements on the lines of our 1956 Money Report, and it then set out what was actually to be found in the Bretton Woods Agreement:—

"Section 5 of Article IV, which deals with the matter, says explicitly in its first paragraph: '(a) A member shall not propose a change in the par value of its currency except to correct a fundamental disequilibrium.' Article XIX, 'Explanation of Terms,' contains no definition of what constitutes a fundamental disequilibrium, nor is there the least explanation in any part of the agreement of the meaning of these vague terms. Article XVIII provides that any question of interpretation of the provisions of the agreement shall be submitted to the executive directors of the Fund for decision, subject to the further provision that any member may require such interpretation to be referred

to the Board of Governors, whose decision shall be final. This means that before a member country can even ask to be permitted to vary the par value of its currency, even to the slightest extent, it must first satisfy the controllers of the Fund that 'a fundamental disequilibrium' exists in its affairs. What these words mean, heaven alone knows. Stripped of its deceptive verbiage, what this section of the agreement really says is that the Fund may permit a member to vary the gold value of its currency to any extent, but without its consent no variation at all is possible."

The tricky nature of this money control scheme, added the Mirror, was evident from the examination of this one important provision. Lord Pethick Lawrence was mistaken in saying that "we have the absolute right at any time to change our parity up or down," and the London Telegraph and Mr. Nash were likewise mistaken in thinking there was a clear right to make a change. "All alike were deceived by a twistily-drafted document, the language of which entirely lacks the impress of honesty and candour. If the framers of this audacious scheme are as slippery in their actions as in their language, heaven help those who fall into their hands. The first requirement with this deceitful botch of a plan is to send it to a competent law draughtsman to make it say openly what it means."

All this was published more than eleven years ago, when Bretton Woods, its author, and everything surrounding it, stood on the highest pinnacle of financial respectability, and not a whisper had reached the public of the painful facts set out in the first part of this pamphlet. Four years ago those facts were blazoned across America as front-page, scare-headed news in every daily paper. But has anyone ever heard so much as a word from any quarter inside or outside the United States to suggest that the Bretton Woods handiwork of the late Harry Dexter White might now

well be reviewed with considerable advantage to everybody? If not, why not?

Weighty reinforcement of this journalistic view was very soon forthcoming. It so happened that in July, 1946, two professorial economists addressed an open letter to members of Parliament recommending ratification of the Bretton Woods Agreement. They asserted that it: (a) Would not result in an open or disguised return to the gold standard; (b) would permit a 10 per cent alteration in our exchange rate at will; (c) would permit retention of import licensing and exchange control; (d) would not permit U.S. domination; (e) would not unduly favour creditor nations against debtor nations; and (f) would not present difficulties if we wished to withdraw at any time.

In reply to these professorial contentions, Dr. H. A. Cunningham, LL.D., A.I.A.N.Z., of Auckland, wrote a series of eleven articles published in the Auckland Star and Christchurch Star-Sun in September, 1946, and reprinted as a pamphlet. This is the most thorough examination of the Bretton Woods Agreement by a competent legal authority yet published in New Zealand. No one has come forward in reply to it. In so-called pro-and-con articles the Reserve bank has since carried on Bretton Woods propaganda for nine or ten years: that propaganda has ignored the Cunningham conclusions without answering them.

Dr. Cunningham, with chapter and verse, showed that not a single one of the six safeguards which the professors had asserted to be in the agreement were there. They appeared to be there, but were not. The agreement, said Dr. Cunningham, was an involved legal document of some 43 pages, and, he added, "it has not been framed in such a manner that he who runs may read. It is sometimes found that safeguards ostensibly given in one clause are unobtrusively, but none the less effectively, taken away by other clauses. The real meaning can only be arrived at by a painstaking-

ing analysis of all the provisions, and one who attempted to do this without having a legal background could hardly expect to get very far."

On the central point, the right of a member nation to vary its exchange rate—which in a severe depression means its right to preserve itself from bankruptcy—Dr. Cunningham was clear and explicit. The Bretton Woods Agreement, he said, requires a total surrender of this fundamental right. His conclusion was reached on exactly the same grounds as set out in the Mirror extract above, and after a close examination of the entire agreement.

Dr. Cunningham's general conclusion was that no agreement open to such divergent interpretations as the Bretton Woods Agreement could help towards harmony between nations; that it required nations to commit themselves to undertakings which they would very probably be unable to fulfil; that it permitted one nation to impose its will on others; and that it would be unwise to assume that the powers which the United States has under the agreement are not there for use. If, in spite of everything, New Zealand decided to subscribe to the agreement, it should only be as a calculated risk, with the people fully aware of the chances they were taking.

Every word of warning by Dr. Cunningham is reinforced ten times over by the terrible revelations since made about the author of the Bretton Woods Agreement, and by the course of events since the Agreement came into operation. A Fund assemblage today today is a mass meeting of defaulters, on each of whom the Fund can put the screw to any extent it pleases.

(3) AN AMERICAN WALK-OUT

We now come to a second glaring omission, sufficient in itself to invalidate the Money Commission's Bretton Woods recommendation. Nothing is said in either the Commission's report or the Reserve Bank and Treasury

representations, about the fact that in 1945 the United States calmly walked out of a large part of the Bretton Woods Agreement.

Before ratifying the agreement, Congress passed an Act making a string of reservations to it. Thus a student who is energetic enough to wade through the agreement itself and search out all its traps, has by no means got to the bottom of the box. Little or nothing has ever appeared in the news about these reservations. When Dr. Cunningham in September, 1946, pointed out that six safeguards supposed to be in the Harry Dexter White masterpiece were merely architectural illusions, he was obviously unaware that he had a lot more to learn about what was not in the Bretton Woods Agreement for practical purposes.

Throughout 1945 Mr. White had carried on as Assistant Secretary of the U.S. Treasury, assisted by Mr. Virginus Frank Coe and his other like-minded friends. Whether the Bretton Woods Agreement Act 1945, was a product of the Treasury or of Congress the author does not know. This highly interesting enactment lays it down that:

No United States representative on the Monetary Fund or Bank may agree:

- (a) to any change in the United States quota;
- (b) to any change in the par value of the U.S. dollar;
- (c) to any general change in par values by all member nations;
- (d) to subscribe for additional shares in the World Bank;
- (e) to any amendment of the Agreement relating to the Fund or Bank;
- (f) to make any loan to the Fund or Bank;
- (g) to any increase in the capital of the Bank;
- (h) to any waiver of the stringent conditions on which members are entitled to buy the currencies of other members in exchange for their own currency; or
- (i) to any declaration of the dollar as a scarce currency.

The Monetary Fund began operations on March 1, 1947. In the ensuing period of ten years there has been no word of the United States being outvoted by the other members. One takes it that the framer of the above reservations was fully satisfied that America was in a position to rule the roost.

These reservations are of great importance. A whole Article in the agreement is devoted to the rationing of scarce currencies—and "scarce currencies" means first and foremost the U.S. dollar. This Article was supposed to be a supreme safeguard. Free convertibility, which the Fund incessantly pushes for, will completely stop all present exchange control discrimination and leave all members defenceless.

The provision for a general uniform alteration of par values (exchange rates) was likewise supposed to give complete protection against ruin in event of another severe American slump: that protection the reservation wipes out.

A director of our Reserve Bank, in evidence before the Money Commission in 1955, said the "rules" of the Monetary Fund had been under revision for three or four years, but no revision had yet appeared. Does (e) in the U.S. reservation give the explanation?—No loosening of the straitjacket will be tolerated?

The Bretton Woods Agreement is so packed with objectionable features that it is impossible in these pages to do more than mention some of the worst of them.

(1) The Fund is not "a specialised agency of the United Nations" as stated in the Reserve Bank book (p. 184). It is a substantive power, exempt from law and taxation by any government national or international. It was a set up a year before United Nations was born, and its only duty is to co-operate with any general or specialised international organisation, what co-operation means is what it chooses to say it means.

(2) The Fund can institute legal proceedings in any court, but no legal proceedings, national or international, may be instituted against it without its permission.

(3) The Fund is free to do business as usual with both sides in any war, and its personnel have at all times full diplomatic immunities and unimpeded transit; its correspondence, assets, property, etc., are free from censorship, search, requisition, confiscation, or seizure of any kind.

(4) Despite the fact that no great modern war has ever been fought on a gold standard basis, there is no provision whatever for relaxation of the Fund's gold and dollar convertibility clauses, or any other clauses of any sort, in time of war.

(5) The Fund constitution ties the currencies of member nations to gold, and at the same time establishes a preposterous one-way traffic in gold—inwards towards itself. Members have to pay in gold out of their mostly scanty reserves on joining: part of any increase must also be paid in, and members are liable to pay gold under all sorts of circumstances. On the other hand, there are no circumstances at all in which the Fund is liable to pay out gold to a member continuing as such. The Fund is a machine for extracting gold from members who do business with it.

(6) All money drawn from the Fund is a loan, the interest rate on which (payable in gold) increases on each successive 25% of a member's quota drawn and also in each succeeding year. When it reaches 5% the Fund thereafter can charge any rate of interest it chooses.

Mountain Brings Forth Mouse

(1) TWO FALSE FRONTS

Both the Bretton Woods twins are false fronts. The International Monetary Fund is a window-dressing exhibit covering machinery for holding the money systems of all nations in subjection to gold and the dollar. As a Fund existing to aid its members, it is a nonentity. It is doubtful whether it was ever intended to be anything else. The aid it can give its members is insignificant, and its prescribed charges are excessive. In reviewing the first ten years of the Fund and Bank, the London Economist (29/9/56) pointed out that the Fund's transactions had continued to shrink steadily in volume, with its expenditure last year more than three times its income, and the resulting loss over \$3 1/2 million, as compared with the previous year's loss of \$2 1/2 million. Commented the Economist: "Far from providing a contribution to the scarce currencies of the world, the Fund on its own account has become an appreciable consumer of dollars. . . . Deprived of any practical day-to-day business activity, the Fund has been equally barren in its advisory role, in the confidence and respect it has been able to command from its member countries, and in its impact on monetary policies throughout the world."

Nevertheless, as a Communist-contrived device for strangling its members financially, economically and politically by tying their currencies to gold which they do not possess and dollars which they cannot obtain, the Fund has been completely effective. Britain has been in continuous difficulties since joining. What

Bretton Woods means at the best of times—with free convertibility still unenforced—was sufficiently seen in the Suez Canal crisis towards the end of last year. Britain had no sooner moved in defence of her interests than she was down on her knees in Washington as a humble supplicant for alms, laid by the heels by her Bretton Woods and other dollar entanglements. Britain's future is likely to be dim until she extricates herself from the trap into which she has been manoeuvred. The unwary and overboomed academic theorist who represented her at the great monetary conference of 1944 had the wool badly pulled over his eyes by men more astute than himself.

The secondary Bretton Woods body, the International Bank for Reconstruction and Development, is not a bank as ordinarily understood, but a device for roping in the members of the Fund as guarantors of American foreign lending. If one institution is joined, the other must also be joined. The Bank is empowered to make or guarantee loans to its members to the amount of its subscribed capital of about \$9000 million, only 20% of which is paid up. Most of the \$2000 million out on loan has been raised in the United States. The United States holds 27 1/2% of the shares in the Bank, and it follows that 72 1/2% of the losses made by the Bank will fall on the other nations holding shares.

It thus appears that the 57 non-American nations in the Bank have been brought in to back the bills of Bank borrowers—in other words, to wet-nurse the international moneylenders of Wall Street in any future slump. The Bank's constitution looks carefully after the interests of these gentlemen. In addition to ringing in all the Fund members as guarantors of its loans, the Bank levies on its borrowers a guarantee charge of 1% per annum, in addition to interest. The London Economist remarks that this guarantee charge is at "a figure which adds appreciably to the cost of borrowing from the Bank and which swells the international de-

mand for U.S. dollars." Both the Bretton Woods twins see to it that the dollars they send abroad move back with minimum delay. It is not surprising to learn from the Treasury statement to our Money Commission that it is hard to borrow dollars now except through the Bretton Woods Bank. Where else are the lenders so well looked after at the expense of their debtors?

Our Money Commission report describes defaults by International Bank borrowers as "a remote contingency", the Treasury submission having advised it that calls on the shareholders are "an unlikely event." London Economist does not bank so heavily on the millenium being just around the corner. Losses, it says, "sooner or later, even in the most ideal of conceivable but realistic worlds, are bound to occur." However, the Bank's guarantee charge has enabled it to pile up in ten years a reserve fund equal to more than 10% of its loans, and the Economist considers this "an ample cushion." The Treasury submission to the Money Commission told us that the Bretton Woods aim is to provide aid so as to prevent a recession in one country from becoming a world slump. The first point in weighing up Bretton Woods as a slump insurance policy is thus to consider the adequacy of the cover it provides.

From the rise of banking about 1750, to the first world war in 1914, a feature of business life was a money panic every ten years or so with the weaker bank debtors cleaned out and sold up, and with runs on the banks by nervous depositors seeking to exchange bank paper for lawful money—the sole legal tender money, then being gold and silver coin issued by the Royal Mint. Bankers who failed to redeem their notes in coin went to gaol. This latter inconvenient arrangement was brought to an end when war came in 1914. By a benevolent proclamation the gold was swept into the banks, and the public has since done business in paper money. Across the Atlantic a new money

machine came into operation at the beginning of 1914, the U.S. Federal Reserve banking system endowed with unprecedented powers to expand and contract bank credit at will. By lending increasingly inflated dollars to the warring European nations and stipulating for repayment in gold, American financiers sucked away a great part of Europe's gold. Subsequently two world depressions, plus a second world war, put these gentlemen in possession of most of the rest of the gold. The 1956 Bank for International Settlements report (p.-157) shows slightly more than 75% of the world's monetary gold as now reposing in U.S.A. (no figures supplied by the Soviet and satellites) (1).

The U.S. Federal Reserve was deemed such a success that the international financiers in conference at Genoa in 1922 decided to set up reserve banks in all countries. Even little New Zealand was bidden to conform, and its politicians dutifully did so. The chief product to date of the new scientific money era ushered in by World War I has been an ever-increasing instability in the purchasing power of money. Dominated by the U.S. Federal Reserve, the world network of central banks has rocked the boat as never before in history. Economic science has ended the pettifogging money panics of the past, and bankers are free to do whatever they like without the least fear of gaol. With this freedom from anxiety, the aspirations of the money controllers have soared higher and higher. Since 1914 there have been four great money disturbances, all of them originating in the U.S.A., and three at least of them alleged by well-informed U.S. Congressmen to have been deliberately produced. All of these world-shaking disturbances—two booms and two depressions—have been greater than anything previously recorded in history, and each more violent than the last.

(1) The B.I.S. graph shows the U.S. gold stock as about 58% of the world total, plus another 17% or so held in U.S.A. on foreign account, some of it in the International Monetary Fund.

In face of the history of the past forty-three years, the first requirement of any well-governed country is an adequate slump-defence plan, and any rational plan must be capable of standing up to conditions at least as severe as experienced in the 1930s. In that depression important foodstuffs fell 60% in price, essential industrial raw materials fully 50%, and wheat in terms of gold touched its lowest price in over 400 years. Bankers and investors lost more on their foreign holdings than in the war of 1914-18. In 1929 the foreign investment income of the four greatest creditor nations was \$2104 million, and in 1938 it was down to \$1470 million consequent on losses in the depression (2). That was the international moneylending position five years out on the road to recovery. New Zealand export prices did not recover to their pre-slump level until 1943.

In the depression New Zealand's export income fell from £55 million in 1929 to £22 million in 1933 in terms of gold (3). For practical purposes the New Zealand pound was at parity with gold in 1929, but most fortunately for us it was far away from parity with gold in 1933, and export income in that year in terms of New Zealand currency was thereby lifted to £41 million. Over 90% of our exports are farm products, and provide the bulk of farm income, the mainstay of our country.

Currency depreciation by Britain and ourselves reduced our loss of export income in 1933 from £33 million to £14 million, and thus put £19 million into the pockets of the people in the worst year in our history. We cut our loss by nearly 12s. in the pound.

Even with this relief we had still-but 80,000 adult male workers unemployed in 1933, which, allowing two dependents for each man, means that about one person in every six or seven in the entire population was

(2) See B.I.S. reports for figures cited: 1936, p. 6; 1940, p.7; and 1956. p. 100.

(3) See N.Z. Official Year Book. 1937, pp. 171 and 173.

dependent on the meagre relief wage of the period. The reader can picture what our condition would have been with our money kept at parity with gold throughout the depression and export income thereby reduced to £22 million.

(2) THE ROAD TO RUIN IN A SLUMP

What we did in 1933 is what Bretton Woods denies its members the right to do. Their money is given a fixed gold value on admission to membership of the International Monetary Fund, and that value cannot be changed without the Fund's consent. In the agreement there is a clause empowering the Fund by a majority vote to make a general proportionate alteration in the gold value of the currencies of all members. This was asserted to give complete protection in event of a future slump. The clause, however, requires the unanimous consent of the more important members, and the U.S. Bretton Woods Act of 1945, as noted on page 30, forbids any U.S. representative to agree to any such general change of gold values. The slump escape clause is as dead as a door nail. Having noted what Bretton Woods takes away from us, the next thing is to discover what we get in return for this surrender. What does it amount to as a slump insurance proposition?

The price of admission to the Fund and Bank for a latecomer is what these institutions prescribe. Most of the members inside are there on the original quotas. The original Fund quota for New Zealand was \$50 million (£17.9) plus a share subscription to the Bank of the same amount, only 20% of which Bank subscription is payable on admission. The immediate outlay in respect of both institutions would be: 10% of our gold and dollar holdings, about £1.6 million, plus £19.9 million in N.Z. currency and securities made available to these institutions to draw upon, a total

outlay of £21.5 million. In the background would be a contingent liability of £143 million to the Bank callable as required to meet defaults by its debtors. Our total commitment would be £35.8 million (4).

The benefits to be derived would be: (1) the right to draw from the Fund £17.9 million in such of the currencies of other members as we required; and (2) the right to apply to the Bank for a loan, but without any obligation on the Bank necessarily to grant the loan—its constitution restricts its lending to borrowers unable to raise money elsewhere on reasonable terms (Art. III, 4b).

Against the Fund benefit of £17.9 million, would be the liability to pay £14.3 million in Bank calls to cover losses. If such losses occurred it would almost certainly be in a severe depression in which we ourselves needed maximum aid. The Bank calls have to be paid in gold, dollars, or such other currencies as the Bank may require.

The difference between what we could draw from the Fund and what the Bank could call up is £3.6 million. That is the one positive figure emerging from Bretton Woods as a slump insurance policy. Any higher figure is a speculative figure which may or may not be realised. This £3.6 million, moreover, is the gross return on our Bretton Woods investment. To gain it we would have paid in on admission £1.6 million out of our existing gold and dollar reserves. Our net gain would thus be £2 million. That is Bretton Woods at its worst. Even if the heavens fell, our £35.8 million slump insurance premium would produce £2 million in our utmost need.

Bretton Woods at its best, with no calls by the Bank and a full pay-out by the Fund, would give us £17.9 million in foreign exchange in a depression. Deducting our initial pay-in of £1.6 million in gold and dollars, the net relief would be £16.3 million. This

(4) See N.Z. Monetary Commission Report, 1956, par. 836.

relief would not be payable in a lump sum. The maximum amount drawable in any year is 25% of the £17.9 million gross. If the Bank makes losses, the maximum rate at which it can call up its capital is 5% in three months, which means 20% per annum. Thus, of a maximum Fund pay-out of £4.5 million in any year, the maximum the Bank could absorb would be £3.6 million, leaving us with not quite a million in hand for the year.

Today our New Zealand pound is at parity with gold, just as it was prior to the depression of the 1930s. Our export income now runs around the £250 million mark. A fall in export prices to the same extent as in the worst year of the last depression would crash export income down to £100 million. Our income deficiency would be £150 million. In relief of that loss Bretton Woods at its very best would hand us £4.5 million, a sum equal to about 7id. in the pound on our loss. Last time, as noted earlier, self-help action paid a dividend of nearly 12s. in the pound, and could have done a lot better still had we been more intelligent and less timid.

Not only has an American reservation killed the slump escape clause in the Bretton Woods Agreement, but in its foremost article "Purposes" the agreement itself damns the whole principle of any such protective action, miscalling it "competitive exchange depreciation." This phrase was invented in American financial circles to express disgust when Britain and some 35 other countries abandoned the gold standard between 1931 and 1933. It implied that these countries had tried to overreach one another and had hurt world trade in what they did. They did nothing of the sort, and what they did benefited trade. Mr. R. G. Hawtrey, former British Treasury expert, went over the whole ground in detail in his *Gold Standard in Theory and Practice* (1945), and summed it up:—

The essential advantage of abandoning the gold

standard is that the value of the currency can be adjusted to the point at which prices and costs are in equilibrium. Here is the key to the unemployment problem."

In Mr. Hawtrey's opinion, the nations leaving gold in the great slump should have made the full adjustment needed to bring their internal prices right back to the pre-slump level. The disturbance in an exchange rate alteration is the same whether the alteration is 10% or 30% or 60%. The important thing is to bring the economy right back to balance—not halfway back.

Here is an unbiased account of what Britain achieved by abandoning gold—unbiased because it comes from a money machine set up in 1930 to run a world gold standard, the Bank for International Settlements. In its 1944 report the B.I.S. said (p. 117):

"The profound belief of the British public in the advantages of an 'elastic' currency arrangement is largely based on the great economic and social improvements which came about in Great Britain during the years following the suspension of gold payments in 1931. There was never the slightest hint of a lack of confidence in the currency . . . the pound unquestionably remained a pound in the everyday business of life. On the world commodity market prices followed sterling rather than gold. . . . The emergence of the 'sterling area' meant that a considerable part of the world followed the lead of sterling, and this gave strength and cohesion to the price level ruling within the area and, inter alia, bestowed upon the countries belonging to it, most of the advantages of exchange stability, namely, stability in relation to that part of the world in the trade of which they were most interested."

That was what the unhappy leader of the British delegation at Bretton Woods allowed himself to be bounced into throwing away. Here we have Mr.

Churchill's account in July, 1952, of what was brought home from the bargain counter:

"Tragic indeed is the spectacle of the might, majesty, dominion and power of the once magnificent and still considerable British Empire having to worry and wonder how we can pay our monthly bills . . . We cannot live from hand to mouth and from month to month in this world of change and turmoil. We must create by long and steady systems of trade and exchange throughout our Empire and Commonwealth, and throughout the wider world, reserves of strength and solvency which enable us to rise solid, steadfast and superior... Thus and thus alone can we stand firm and unbroken against all the winds that blow."

In 1938, with a stable currency untied to gold, Britain sat comfortably with gold and dollar reserves equal to nearly nine months' imports. Nowadays, a chained-up prisoner in the Bretton Woods gold menagerie, she counts herself lucky with three months' reserve in hand. Commenting on the Bretton Woods achievement in the Fund's first five years, Mr. R. G. Hawtrey remarked that it had transmitted in full force to its member countries all the fluctuations in the purchasing power of gold and the dollar emanating from U.S. Federal Reserve money policies, and had thereby created "a fundamental disequilibrium" in their monetary affairs every few weeks. Fixed rates of exchange in such circumstances were intolerable.

(3) INTERNAL INTERFERENCE

On an earlier page it was remarked that an International Monetary Fund gathering today is a mass meeting of defaulters. The Bretton Woods Agreement set its members tasks which most of them have found impossible to fulfil. It required them from the outset to maintain their paper currencies at a fixed value in gold and in U.S. gold-based dollars unalter-

able without permission; and it further laid down that on the expiration of five years from the first operation of the Fund members must make their currencies freely convertible into gold and dollars, removing all exchange restrictions. The due date arrived on March 1, 1952, since when the British countries in the Fund, and most of the others, have been in default on the free convertibility obligation.

Britain was singled out for specially severe treatment as part of the price for the dollar loan negotiated in 1945. From the first day she drew upon the loan sterling held by residents of the United States on account of current transactions had to be made convertible into dollars, and the same had to be done for residents of all other countries a year later. The first obligation was duly honoured, and the second likewise on the due date, July 15, 1947. Britain's borrowed dollars thereupon fled at such a rate that free convertibility had to be suspended in less than six weeks. Ever since August 21, 1947, Britain has been in default. She had entered into an obligation which, if persisted in, led straight to bankruptcy.

The means employed to stampede Britain and America's other wartime Allies into an undertaking completely beyond their powers to fulfil were noted in the early pages of this pamphlet, as were also the records of the personnel who framed this demand in the name of the United States. It was also shown that in what he did in other matters in 1944 the principal author of the Bretton Woods Agreement had placed the interests of Soviet Russia high above all other considerations. The question therefore arises whether Bretton Woods was designed from the outset with the express purpose of ensuring that member nations—and, in particular, Britain and the British countries—should be so entangled that they could neither meet their Bretton Woods obligations nor escape from the Fund. Withdrawal from the Fund is far from easy to a mem-

bcr in financial difficulties. On its side the Fund can suspend or expel a member in default on its obligations. If the departing member owes money to the Fund—as will almost certainly be the case—the debt must be repaid in gold or convertible currency. The complicated provisions have very obviously been drafted to discourage thoughts of exit.

New Zealand's Money Commission tells us that fears of the Fund interfering in our internal affairs are groundless (par. 838). It is true that the Fund's constitution says that on a member asking to change the gold value of its money the Fund shall not object because of the member's "domestic, social, or political policies" (IV, 5f). It is also true that another provision (VIII, 5) lays down that members must supply the Fund with "such information as it deems necessary" about their affairs, and proceeds to list under 12 headings almost everything possible "as the minimum necessary." The only limitation is that the information need not be supplied in such detail as to disclose "the affairs of individuals or corporations." This limitation the next clause more or less wipes out by laying down that the Fund may obtain "further information by agreement." Can a member in default afford to be disagreeable in the matter?

This thirst for information about other people's affairs reminds us that, according to exhibits produced and certified on oath, one of the architects of the Fund formerly specialised in secretly passing on to Moscow confidential U.S.. Treasury information. The Fund obviously opened up wider sources of supply. However, there was an immediate object in view, as the concluding words of the section reveal: "the preparation of studies to assist members in developing policies which further the purposes of the Fund." The main purpose of the Fund is to hold all nations on the gold standard—or, as an eminent American, the late William Jennings Bryan, expressed it many years ago: "to

crucify mankind on a cross of gold." What are the policies which must be developed to achieve this end?

It so happens that another great institution in exactly the same line of business as the Bretton Woods Fund has provided an answer to this very question. In 1944, on the Fund being instituted, it discussed what the newcomer must do to make a success of its task of keeping all nations tied to gold. The Fund must keep an eagle and all-seeing eye on the internal affairs of all these nations. It is completely futile to sit idly by until a member comes and asks for a change in the parity of its currency. The Fund must be up and about long before any such point is reached. Here is the gist of the matter:—

"In order to make a real contribution to increased exchange stability, the Fund must gain an influence over all those essential factors which determine the currency developments in the different countries, and these are largely of a domestic character (public finances, nominal wages, tariffs, etc.)."

The extract is from the 1944 report of the Bank for International Settlements (p. 114). The B.I.S. was set up in 1930 by the League of Nations in collaboration with Mr. Montagu Norman, Dr. Hjalmar Schacht, and other like-minded gentlemen. Its purpose was to hold the new world network of reserve banks on the gold standard. It lacked the teeth to keep them there in the great depression, and a closing resolution at the Bretton Woods conference decreed its liquidation "at the earliest possible moment" (execution not yet effected). In September last the gentleman who has been economic adviser to the B.I.S. since 1938 was appointed managing director and executive head of the Bretton Woods Fund.

If the B.I.S. view is sound, it means that if New Zealand joins up with Bretton Woods, as recommend-

ed by its late Money Commission, it may among other things presently find the Fund seeking to "gain an influence" over the wage decisions of its Arbitration Court.

The late Lord Bryce, veteran British statesman, ambassador and constitutional historian, in his *Modern Democracies* told us that the money power "works secretly" by devious routes. It certainly takes a very close interest in what those who come to it for aid do with the good money it supplies, and sometimes secrecy in the matter disappears. In August, 1931, Britain borrowed gold in America, in a vain endeavour to remain on the gold standard. As a condition of the loan the international financiers insisted that the pittance of 17s. weekly then being paid to Britain's 2,800,000 workless must be cut to 15s. 3d. No equivalent saving elsewhere would satisfy them. The British Ministry accepted this dictate, but the gold standard went within a month. An indignant Minister revealed what had happened (1). Today, with Britain recently on her knees to the American moneylenders, we find her busy cutting down her armed forces throughout the world in order to reduce expenditure. Thus is the world made safe for Communism.

(1) Dr. C. Addison (later Lord Addison), Minister of Agriculture to 25/8/31, speaking at Swindon, 26/8/31 (vide London "Morning Post").

Whither Goes America?

(1) SOVIET-SERVING WORLD POLICIES

For many years past, American world policies have had an uncanny way of dovetailing in with Soviet policies. British rule has been a principal factor in maintaining order over large tracts of the world, and the Union Jack has been the greatest enemy of the Red Flag. American world policy to date has consisted in talking against Communism and acting in favour of it: in weakening and whittling down the power of the anti-Communist nations and creating power vacuums into which Communism can spread. Bretton Woods does the job at the financial end. As will be noted presently, the whole galaxy of the Roosevelt-Truman international organisations are cut to the same pattern. The great mass of the American people are thoroughly anti-Communist: the American Government is anti-Communist in words, but a most uncertain quantity when it comes to deeds. That is the report of many patriotic and informed Americans themselves. Consider, for instance, the following statements:—

Said General Patrick J. Hurley in his letter of November 26, 1945, to President Truman, resigning his post as U.S. Ambassador to China: "The astonishing feature of our foreign policy is the wide discrepancy between our announced policies and our conduct of international relations."

Said Major-General Charles A. Willoughby, chief of staff to General MacArthur, U.S. Supreme Com-

mander in the Pacific: "The Communisation of China was engineered by American brains" (MacArthur. 1941 - 1951, by Maj.-Gen. Willoughby and John Chamberlin, 1956, p.304).

Said U.S. Senator William E. Jenner in Congress on April 4, 1951: "I charge that this country today is in the hands of a secret inner coterie directed by agents of the Soviet Government."

Said Harry Elmer Barnes, well-known American sociologist: "We have brought Soviet Russia to a position of complete domination in the Old World, destroyed for generations the balance of power, and brought about a situation where we can check Russian expansion only by a third world war which will finish off what remains of civilisation" (The Struggle Against the Historical Blackout, 1951, p. 35).

Similar opinions by well-known Americans are to be found on every side, all voicing a deep-seated feeling that "something is rotten in the state of Denmark." For light on the source of that rottenness we turn to the first and last of the twelve conclusions at the end of the Interlocking Subversion report in 1953 of the U.S. Senate Internal Security Subcommittee previously quoted herein:

"1. The Soviet international organisation has carried on a successful penetration of the United States Government and this penetration has not been fully exposed.

"12. Policies and programmes laid down by members of this Soviet conspiracy are still in effect within our Government and constitute a continuing hazard to our national security."

Other conclusions were that the penetration of government has extended from the lower ranks to top-level policy and operating positions; that its agents have acted in accordance with a design laid down by

their Soviet superiors; that the penetration was first into agencies connected into economic recovery, then to war-making agencies, then to agencies connected with foreign policy and post-war planning, always moving to the focal point of national policy; that, in general, the Communists worked behind the scenes, guiding research and memoranda on which basic American policies were set, drafting laws, manipulating administrative reorganisations, writing speeches for Cabinet officers, influencing Congressional investigations—always in the interests of their Soviet superiors; and that thousands of diplomatic, political, military, scientific and economic secrets of the U.S. Government have been stolen by Soviet agents in Government and Communists closely connected with them.

These conclusions are bad enough, but worse follows when it comes to the attitude of those in authority. On this point the report says the Federal Bureau of Investigation and other security agencies reported extensively on the Communist penetration, but little was done by the executive branch to interrupt the Soviet operatives in their ascent in Government until Congressional committees brought the facts to public light. Even so, the facts were unwelcome: "Powerful groups and individuals within the executive were at work obstructing and weakening the effort to eliminate Soviet agents from positions in Government." Moreover, members of the conspiracy repeatedly swore to oaths denying Communist Party membership when seeking appointments, transfers and promotions, and "these falsifications in virtually every case went unpunished."

The plain fact of the matter is that the Roosevelt-Truman New Deal Administration was pro-Soviet and anti-British from the day it first gained office in 1933. The New Deal Administration began by reversing previous United States policies on two important points. It invited the Soviet Government in Mos-

cow to enter into diplomatic relations with it and to establish an Embassy in Washington, all previous American Administrations having been flatly against any such proceeding. At the same time it objected to British Empire preferential tariffs, accepted without demur by all American Administrations during the preceding thirty-six years of their existence.

At the invitation of President Roosevelt, Mr. Litvinoff, Soviet Commissar of Foreign Affairs, crossed the Atlantic in the royal suite in the *Berengaria*, and graciously accepted the American offer of recognition on November 17, 1933. Mr. Litvinoff the previous day had even gone so far as to sign an undertaking that the Soviet Union would not permit the existence on its territory of any organisation which had as its aim the overthrow by force of the Government of U.S.A. or of any part thereof. A month later the Communist International in Moscow ordered all Communist Parties throughout the world to intensify revolutionary preparation for the seizure of power. In January, 1934, the central committee of the Communist Party of the U.S.A. advised its branches that the above instruction "applies fully to the United States," and the U.S. Communist convention presently confirmed this. Diplomatic relations continued undisturbed and diplomatic immunity left the Soviet officials in Washington free to help along the good work.

(2) BRITAIN THE ENEMY

On the side of British Empire Preference it was a different story. Empire Preference originated in Canada in 1897 when Sir Wilfrid Laurier gave British goods a 33% cut in tariff duties. Australia, New Zealand and South Africa presently followed suit. The preferences at this time were all on one side, Britain being free-trade. When the great American-made depression burst upon the world abandonment of the

gold standard in 1931, and the strengthening of Empire Preference were the big factors in seeing Britain and her Empire through. At the Ottawa Conference of 1932 Britain gave return preferences and the system generally was expanded.

In the House of Lords on December 18, 1945, Viscount Bennett told what resulted. As Mr. Bennett, he was Prime Minister of Canada in the 1930s and knew whereof he spoke. Of the preference given by Britain to Canada at Ottawa, he said: "That preference saved Canada from bankruptcy, and in every part of the British Empire it was of the utmost value." Lord Bennett further said: "I am not disclosing any great secret by saying that the United States has consistently endeavoured since 1933-34 to destroy the preferences." In 1938 as the result of a continued effort by the United States the preferences were much reduced, and one to which Canada attached the greatest possible value—namely, the preference on wheat—was abandoned altogether. Not satisfied with that, the United States sought to destroy the whole system.

Even before Pearl Harbour enabled the New Dealers to bring America into the war, the slaughter of British Empire preference was in the forefront of their minds, and they sought to drag it into the so-called Atlantic Charter of August, 1941. Mr. Churchill, however, saved it by qualifying words. When Bretton Woods, plus the dollar loan, at last enabled them to reshackle sterling to gold they again demanded the sacrifice of preference. The same creepy-crawly draughtsmanship that marked the hood-winking "fundamental disequilibrium" clause in the Bretton Woods agreement reappeared in the trade proposals which Britain was required to accept in order to borrow dollars.

In the trade proposals tied on to the dollar loan there was no direct reference whatever to British Empire Preference. The Communist underground were

far too clever to go about their business in that crude way. Neither in the original trade proposals of 1945, nor in the resulting GATT document of 1948, is the existence of any such entity as the British Empire or Commonwealth recognised at any stage. When in the First Schedule of GATT it finally becomes necessary to name the British countries, they appear in Annex A as "List of Territories Referred to in Paragraph 2 (a) of Article I." Annex B lists the "territories of the French Union"; Annex C, "the territories of Belgium, Luxemburg, and The Netherlands", and Annex D, "the territories of the United States.-" The Annex A list is apparently just a pro tem. bunch of miscellaneous countries awaiting future disposal by the Washington underground and its friends abroad. Anti-British bias is visible in every detail of every move.

Britain had given the people of her overseas possessions a greater freedom in self-government than ever before enjoyed by the peoples of any political union known to history. One feature of that freedom was the right of each overseas British country to impose such customs duties as it sees fit. In drafting their international trade proposals the Washington New Dealers seized upon this fact to destroy the British Empire as an economic unit. They laid it down that international trade was to be open to all members of their proposed international organisation on equal terms, without discrimination, and they further laid it down that each separate "customs territory" was to be a separate member. Those provisions, in one fell swoop, turned trade between British countries into international trade, and killed stone-dead the right of the British Empire to have any internal economic relations. All British Empire inter-trade was to be controlled by an international organisation, which organisation was to dictate how one British country was to treat another British country. This preposterous demand a British Ministry accepted in order to get a

loan of 3750 million dollars, which loan slipped through its fingers like water and vanished in less than eighteen months. New Zealand, without even being bribed with a single dollar, walked into this Empire-destroying trap. We have had enough sense so far to keep out of Bretton Woods, and the sooner we get out of GATT the better.

(3) UNO AND ANZUS

With respect to the United Nations Organisation, the most fortunate thing about that body is that the members of its omnipotent Security Council have never yet been in agreement on any matter of importance. If they ever do reach such agreement, it will most probably be but a short step to the extinction of human liberty upon the earth. Allegedly to coax Russia into joining it, but more probably from the inclination of some of its architects and organisers—not forgetting Mr. Alger Hiss, later in the penitentiary for perjured denials of communist espionage—the United Nations Organisation is based on the Leninistic principle that the dictatorship of the proletariat is force, unlimited by any rule or law whatsoever. In the old League of Nations, no nation could be coerced against its will. All decisions had to be unanimous. In UNO unanimity is required only in the Security Council. If the five permanent members of the Security Council are agreed, and can carry the two non-permanent members along with them, they can do or decree whatsoever they list without regard to any law or principle of any kind, and the other nations must conform (1).

(1) See "The Crisis in the Law of Nations," by Prof. H. A. Smith. University of London, 1951.

Concerning Dr. Pasvolsky, drafter of Uno's Charter, the "Chicago Tribune" stated: "Leo Pasvolsky knows more about the new peace league than any other person. He wrote the first draft of the charter and attended its revision from the first day of Dumbarton Oaks to the last day of the San Fran-

The Anzus Pact of 1952 likewise carries within it the marks of New Deal underground origin. Once again everything turns on a phrase. In Bretton Woods we saw the slippery use made of "fundamental disequilibrium," and how the sterling area was damned out of hand as "competitive depreciation" without so much as being directly named. In GATT, again without being named, the economic unity of the British Empire and Commonwealth was destroyed by means of another phrase "customs territory", effectively used to turn British countries into foreign nations with respect to one another in trading matters. In the Anzus Pact the New Deal phrase-making department reached highwater mark to date by means of another two words—"constitutional processes."

Nervousness in Australia at the apparently soft peace which the United States was about to make with Japan led members of that country's war-time Labour Government to talk of the need for a United States guarantee of support against future trouble. Washington obligingly responded with the Anzus Security Treaty, to which New Zealand unwisely became a party. The actual document is slightly different from what our Australian cousins originally had in mind. They wanted a treaty guaranteeing that the U.S.A. would defend them if they were attacked. What they put their name to, and New Zealand along with them, was a treaty guaranteeing to defend the U.S.A. if it was attacked in the Pacific, but with no like obligation on the U.S.A. to come to the rescue in event of an

cisco Conference He was brought into the (State) Department as an economist . . . and successively advanced to the highest rank outside positions subject to Senate confirmation. Pasvolsky, now a naturalised American citizen, was born in Pavlograd, Russia, 1893, and came to U.S.A. with his parents in 1905 ... He has published several works on Russia, including the 'Economics of Communism' " (condensed from "Common Sense", N.Y.. 15/10/52).

attack on either Australia or New Zealand. Here is the guarantee clause:

"Each Party recognises that an armed attack in the pacific area on any of the Parties would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional processes."

In British countries the Crown makes treaties and the Crown makes war. In the pact the Crown undertook to act as it had power to act. Under the U.S. Constitution the powers are in water-tight compartments. The President, with two-thirds of the Senators present consenting, can make treaties. The Congress alone can declare war. There is nothing in the pact binding Congress to declare war: Congress has been no party to the document; and neither President nor Senate has control of Congress.

The pact was born of a bright Australian brainwave of getting something for nothing. If we want the help in war of the U.S.A., or any other foreign nation, we can be quite certain we shall have to pay through the nose for it.. The pact in no way alters that position. Instead of sticking solidly together with our kinsmen in the Empire we have entangled ourselves in military matters with a nation whose foreign policy to date has created the very dangers against which we seek defence. Canada appears to have acted with greater circumspection.

It is not surprising to find Article X of the pact stating, "This Treaty shall remain in force indefinitely."

Cleansing The New Deal Stables

(1) A TASK FOR HERCULES

New Zealand has had the sense to keep out of the Bretton Woods trap for thirteen years, and, despite painstaking search, its recent Monetary Commission was unable to discover benefits lost in consequence. The evidence now points to other post-war world organisations being likewise the product of the Communist underground inside the U.S. Government, and the indications are that the house-cleaning at Washington has a long way yet to go.

From the U.S. Interlocking Subversion report of 1953, the chief result to date appears to be the exposure of two high-placed Soviet spy rings inside Government, and knowledge of the existence of two others. Both rings exposed appear to have acted under direction of the Soviet military attache at the Washington Embassy. Their exposure was due to the defection of two agents acting as couriers and intermediaries between the rings and the Soviet officials—Whittaker Chambers breaking in 1939, and Miss Elizabeth Bentley in 1945. Immediately on defection both had made detailed statements to the Government of their activities and contacts. No effective action was taken until Congress got wind of the matter in 1948 and examined the two above-named persons. The immediate result was the prosecution, conviction and imprisonment of Alger Hiss, sentenced in January, 1950.

After service in high office in the U.S. State Department, Mr. Hiss on arrest was president of the Car-

negie Foundation for International Peace, and had previously been organising-secretary of the Dumbarton Oaks conference framing the United Nations, and secretary-general of the San Francisco Conference of 1945 constituting it. Prior to this he had been personal adviser to President Roosevelt at Yalta, when great tracts of the earth were consigned to Soviet domination. He was convicted of perjured denials of Communist espionage. Since then Congressional investigation has been more or less continuous.

It so happened that the defection on September 5, 1945, of Igor Gouzenko threw a flood of light on the scope and method of Soviet espionage operations abroad. Mr. Gouzenko was cipher clerk to the Soviet military attache at Ottawa and on defection handed over to the Canadian police a large number of documents from the files in his office. After these had been translated and examined a Royal Commission was set up in February, 1946, and reported in June of that year. The result was the trial and conviction by 1947 of eleven persons as Soviet spies, including a Canadian M.P. and a high-placed British scientist, and leads on the activities of some hundreds of other suspects.

According to Gouzenko, the Soviet had at least five spy networks operating independently in Canada, each under a different Embassy official, each reporting to a different head in Moscow and using a different cipher, each employing different agents in Canada, and each ignorant of the activities of the other rings. Independent of these Embassy networks, every Soviet consul had a network of his own. To the best of his knowledge this was the normal Soviet set-up in all countries. His personal knowledge of Soviet espionage in Canada was confined entirely to the matter passing through his hands from the military attache. The military attache had been alarmed on accidentally discovering that entirely unknown to him a parallel Soviet military network was operating in Canada. The

Canadian Commission said it found Gouzenko a reliable witness, and everything in his evidence and in the documents susceptible to check had proved correct. If this was the situation in Canada, the probability is that operations in the U.S.A. are on a more extensive scale still. The American investigation, moreover, has been conducted under handicaps not existing in British countries. Under the U.S. Statute of Limitations a charge of espionage must be brought within three years of the acts alleged. Alger Hiss was thus immune in respect of acts in 1934-39, but was convicted of perjury in his denials of espionage activity. Since the Hiss conviction for perjury, most of the suspects examined have taken advantage of the Fifth Amendment to the U.S. Constitution providing that no person can be compelled to be a witness against himself. Under this umbrella, the worst that can happen appears to be loss of office. The alleged members of the Treasury spy ring used it with success, their testimony being largely a continuous refusal to answer questions.

(2) ANOTHER ASPECT

In its report, the Canadian Commission touched on an aspect of Communism noted by many writers from Benjamin Disraeli onwards (1). "It is significant," said the report, "that a number of the documents from the Russian Embassy specifically note "Jew" or "Jewess" in the entries on their relevant Canadian agents or prospective agents, showing that the Russian Fifth Column leaders attached particular significance to this matter" (p. 82). The report recorded that the two persons figuring most prominently therein were both Jews—the convicted Canadian M.P., Fred Rose, was a Polish-born Jew whose real name was Rosenberg; and

(1) See "Lord George Bentinck" by Benjamin Disraeli, afterwards Lord Beaconsfield and Prime Minister of Britain, 1858 edition, p. 357.

the organising secretary of the Canadian Communist Party. Sam Carr (alias Sam Cohen), who fled the country to avoid arrest, was a Russian-born Jew whose real name was Schmil Kogan. The Jewish element was noticeable in the personnel reported on.

The U.S. Interlocking Subversion report of 1953 is silent on this aspect of Communism, but a large percentage of the names of the persons reported on and mentioned in the evidence speak for themselves. A quarter of a century back American Government reports did not hesitate to mention the Jewishness of Communism. In the 1931 Investigation of Communist Propaganda report by a U.S. House of Representatives Committee, of which Mr. Hamilton Fish Jr. was chairman, the following facts were noted: that "a large percentage of all the known Communist district organisers are of Jewish origin" (p. 14); that "the largest daily Communist newspaper is the Morning Freiheit published in Yiddish in New York City" (p. 20)—with about double the circulation of the Communist Daily Worker: and that in the Communist summer youth camps around New York, up to 90% of the attendance is estimated to be Jewish (p. 28). The committee reported after hearing 275 witnesses in every section of the U.S.A. (p. 1).

In its first seven years to 1940 the Roosevelt Administration (vide Herbert Hoover Memoirs, III, 382) increased the number of U.S. Government civil employees from 566,000 to 1,002,000, most of the appointees being exempted from civil service requirements. The Jewish Examiner of Brooklyn, N.Y., October 20, 1933, wrote of "the Roosevelt Administration, which has appointed more Jews to fill influential positions than any previous administration in American history." Not all Jews felt so happy, and another Jewish paper Der Tog noted that a deputation of prominent Jews had vainly asked a leading Jewish personality in Washington to use his influence to have what they considered the

excessive number of Jewish appointees reduced. There was presently widespread comment also on the large number of New Deal appointees with Communist and near-Communist associations.

In his book of 1952, *The Iron Curtain Over America* (1) Mr. John Beaty, a Texas university teacher who served as major and lieutenant-colonel with U.S. Military Intelligence through the second world war, directs attention to what he considers the undue influence exerted on American policy by a non-assimilable sector of its population of East European origin and Jewish belief. He points out that in 1877 the Jewish population of about 280,000 in U.S.A., mostly of Sephardic (Palestinian) origin, was assimilated with the general population, but was presently overwhelmed by an influx of a different type. "These newcomers," he writes, "arrived in vast hordes—especially from territory under the sovereignty of Russia, the total number of legally recorded immigrants from that country between 1881 and 1920 being 3,237,079 (*The Immigration and Naturalisation Systems of the United States*, p. 817) most of them Jews" (p. 37). The census of 1936 showed 3728 congregations and 4,641,184 Jews in U.S.A. The latest census figure for other religions was for 1947, but no figures for Jews appeared after 1936. On the basis of a U.S. Senate examination of N.Y. World Almanac figures for world Jewish population (15,713,838), Mr. Beaty thinks the total U.S. Jewish population in 1952 might be in the neighbourhood of 10,000,000, more than half the world total (p.38).

The heavy East European immigration into the U.S.A. was arousing concern half a century back. In 1908, Dr. Nicholas Murray Butler, head of Columbia University, wrote a book, *The American as He Is*, pointing out that America was dominantly Christian, and its "capacity to subdue and assimilate the alien

(1) Wilkinson Publishing Coy., 1727 Wood St., Dallas, Texas, U.S.A. \$3.

elements brought to it by immigration may soon be exhausted." "America's future dangers," he said, "will come, if at all, from within." A very heavy influx followed the first world war, and in 1921 Congress enacted the first of the numerous immigration quota laws to check it, an enormous illegal entry system developing however.

Mr. Beaty in his book quotes many Jewish and other authorities to the effect that these East European Jews are not of Palestinian origin but are the descendants of the Khazars, a warring people, apparently of Mongol and Turkish origin, who established a khanate, or kingdom, about A.D. 600, in what is now South Russia, and whose ruler Bulan and his people a century or two later adopted the Jewish religion. Their relations with the Slavs were unhappy throughout, and in A.D. 1016 the Slavs destroyed the Khazar kingdom. Large numbers of its people then became dispersed into Poland, Lithuania, and other parts of Russia and Eastern Europe, and are today said to be the main constituent in the Jewish populations of those countries, in all of which they have proved a non-assimilable element.

According to matter quoted by Mr. Beaty, it was at a national conference of these East European Jews at Kattowitz in 1884 that the Zionist movement originated in a decision to colonise Palestine. In 1897 was founded the Bund, the union of Jewish workers in Poland and Lithuania. The Bund engaged in revolutionary activity on a large scale, and from it presently sprang the Russian Communist Party. The East European Jews carried with them across the Atlantic both their Zionism and their Communism.

(3) A PRIVATE PATH TO POWER

In American politics most of the East European immigrants, according to Mr. Beaty, threw in their lot with the Democratic Party, which was not a homo-

geneous party like the Republicans, but a collection of discordant groups—the rural Protestant Southerners, the urban Catholic Northerners, and a miscellaneous lot of "liberals" and leftists who, with the aid of the newcomers, gradually rose into dominance. The new power in politics made itself felt when President Wilson in 1916 appointed Mr. Louis D. Brandeis to the U.S. Supreme Court bench, the first Jew to sit there as a guardian and interpreter of the U.S. Constitution. Mr. Brandeis was a liberal with socialistic leanings, and was also a Zionist. Mr. Beaty points out that in the past half-century the U.S.A. has had five Republican Presidents and no wars, and three Democratic Presidents—Wilson, Roosevelt and Truman—and three wars. It is by no means clear, however, that the influences he discusses are confined to the Democratic Party.

According to two remarkable articles in London World Jewry in 1935 (Feb. 22 and March 1), a Zionist intermediary in mid-1916 suggested to the British and French Governments that the path to victory in the war then raging was to promise Palestine to the Jews on condition that they brought the United States into the war. A bargain was made and the U.S. Zionists thereupon successfully exerted their influence to this end, and the Balfour Declaration of November 2, 1917, confirmed the arrangement. The author of these articles was Mr. S. Landman, who was stated by World Jewry to have been private secretary to Mr. N. Sokolow (a Zionist leader) from 1911 to 1918, and also secretary to the World Zionist Organisation from 1917 to 1922. In 1935 Mr. Sokolow was president of the Zionist Organisation.

Not all Jews by any means supported Zionism in 1916-17. Mr. Landman related in his articles that the leaders of French Jewry in the Alliance Israelite refused all support, and eleven leading British Jews signed a letter to the London Times condemning the aims and

objects of Zionism. He added that a rapid campaign secured a Zionist majority in the Jewish Board of Deputies, the president and other objectors resigning office. In the United States there were likewise eminent Jews who condemned the Zionist movement root and branch. Mr. Henry Morgenthau, Sen., former U.S. Ambassador to Turkey, and father of the late U.S. Secretary of the Treasury, wrote as follows in his memoirs *All in a Lifetime*, published in 1922: "Zionism is the most stupendous fallacy in Jewish history. . it is an Eastern European proposal, fathered in this country by American Jews which, if it were to succeed, would cost the Jews of America most that they have gained of liberty, equality and fraternity. . "

It is not only in the matter of Zionism that this East European influence has been exerted, but over the whole field of U.S. foreign policy. Political power has been gained, not by election to Congress, but by appointment to executive office in Government. Says Mr. Beaty on this point (p. 59):—"The number of persons of Eastern European origin or connection in appointive positions of strategic significance in our national government is strikingly high in proportion to the total number of such persons in America. On the contrary, in elective positions, the proportion of such persons is strikingly below their numerical proportion to the total population. The question arises: Does the high ratio of appointed persons of Eastern European origin or contacts in United States strategic positions reflect the will of the U.S. people? If not, what controlling will does it reflect?"

The foregoing citations from various sources are sufficient to show that Bretton Woods is part of a larger picture. What Mr. Beaty has gathered together in his book crosses the t's and dots the i's of what the U.S. Senate Internal Security Subcommittee wrote in its *Interlocking Subversion* report. He reaches the conclusion that in the U.S.A. today there is a nation with-

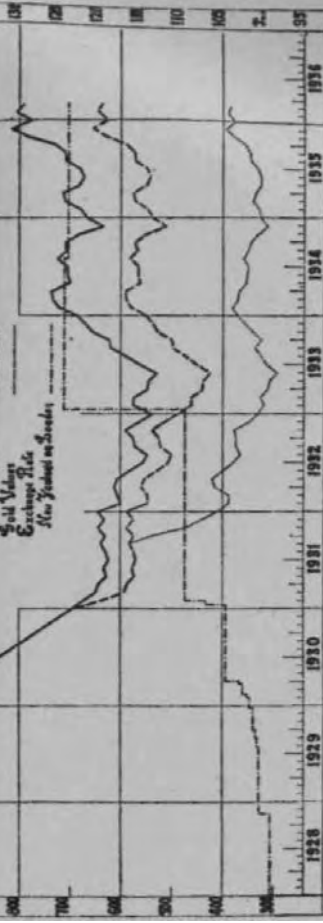
in a nation—an active and powerful minority of non-American origin, using the U.S. governmental machinery in pursuit of its own ends.

In these pages the present author has endeavoured to state as clearly as he can the actual facts about the Bretton Woods Agreement and the money-controlling machinery established by it. The subject is a large one, and in a small pamphlet it is only possible to deal with its more important aspects. It is for the reader to form his own conclusions on what has been advanced in a matter which is of the very highest importance to New Zealand and everybody in it.

New Zealand Export Price Index

Base 1927=1000

New Zealand Currencies
Sterling Values
Gold Values
Exchange Rate
New Zealand on London



The top line in this B.N.S.W. chart shows what happened to New Zealand export prices in the 1930s. The bottom (gold) line is what would have happened under Bretton Woods rule in 1933.

Depression came out of a blue sky after six years of steady prices—the lowest year being 1927 (marked 1000 in left margin) and the highest 1928 (shown in chart).

Britain's Macmillan Money Report of June, 1931, said: "Conditions have been favourable to a growth of material welfare throughout the world." (par. 131).

U.S. money contraction policy resulted in a colossal New York Stock Exchange crash in October, 1929, and the immediate collapse of world commodity prices.



THE TRUTH ABOUT THE SLUMP

(With a Postscript.)

A. N. FIELD

THE TRUTH ABOUT THE SLUMP

What the News Never Tells

By A. N. FIELD

Published by A. N. FIELD, Okiwi Bay, Croixelles;
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1932.

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"Democracy has no more persistent or insidious foe than the money power, to which it may say, as Dante said when he reached in his journey through Hell the dwelling of the God of Riches, 'Here we found Wealth, the great enemy.' That enemy is formidable because he works secretly, by persuasion or deceit, rather than by force, and so takes men unawares. He is a danger to good government everywhere.

"The truth seems to be that democracy has only one marked advantage over other governments in defending itself against the submarine warfare which wealth can wage, viz., Publicity and the force of Public Opinion. So long as Ministers can be interrogated in an assembly, so long as the press is free to call attention to alleged scandals and require explanations from persons suspected of an improper use of money or an improper submission to its influences, so long will the people be at least warned of the dangers that threaten them. If they refuse to take the warning they are already untrue to the duties that freedom prescribes."

—The late Lord Bryce in
"Modern Democracies" (1921).

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Box 154, Nelson.**

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AUTHOR'S NOTE.

Since this book was written at the beginning of 1931 many momentous changes have occurred. It has not been practicable to revise the text throughout, but a post-script has now been added to the book bringing it up to date.

—A. N. F.

October, 1932.

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INTRODUCTION.

This book tells the story of who caused the slump and how they caused it, and it directs attention to two simple steps that can be taken to save our farmers and traders.

No greater mistake can be made than to suppose that the present slump in commodity prices is due to blind economic forces. The depression from which we now suffer is due to an artificially induced variation in the purchasing power of money. In these pages will be found ample evidence in support of this statement. The quarter from which the trouble is coming is indicated, and the amazing manner in which the machinery for monetary control of the world was established is traced out. The story of the slump is essentially a story of men and their motives. Some of those motives, such as declarations of hostility to the British Empire, and action inimical to it, are matters of open public record: others are a matter of speculation.

The facts set out rest upon unimpeachable authority, and the sources are given throughout. Any reader who has access to a large library can verify them all for himself, and by a little research would doubtless uncover much additional matter supplementing and confirming what the present author has assembled.

Nevertheless, one may search in vain through the newspaper press, through the utterances of public men, through practically the whole current literature of today, for any reference to these central, pivotal facts governing the whole world price level and the financial and economic situation today. Why this silence?

The answer is that the most potent forces in the world today are forces that do not work in the open. They could not work in the open: for if they did mankind would not for one instant tolerate their continuance. It is essential for the success of their plans that the people of the world should be unaware of the chains that have been made to enmesh them.

A small number of persons in different countries have shown by their utterances that they are well aware of what is taking place—or, rather, has been taking place—for the chain of events extends back over a long period of time.

Three-quarters of a century ago Disraeli told Britain's House of Commons that "the world is governed by very different persons from what is imagined by those who are not behind the scenes."

In a recent interview, General Ludendorff, chief of the German General Staff through the war, declared that the world today is ruled by "secret supra-national powers," "the same diabolically clever wire-pullers that brought about the last cataclysm."

In the London "National Review" six years ago Mr. Arthur Kitson wrote about "Our Invisible Rulers," and in other articles has expounded this same theme.

In giving evidence before a United States Congressional committee in 1926, Mr. Western Starr, head of the United States Farmer-Labour Party, declared that unless a certain group of men, whom he referred to as "these old men of the sea," had their power curbed the world would be plunged into another war, compared with which the last war would be "like a Fourth of July picnic."

More cryptically, but none the less significantly, Sir Josiah Stamp, one of Britain's foremost business men and economists, has expressed the opinion—remarkable as coming from a director of the Bank of England—that money, after having brought civilisation to its present level, may well "actually destroy society." When the reader has digested the facts herein assembled this statement may fall less incredibly on his ear.

It is impossible to maintain our country in a state of security unless we face the facts and conform to reality. Our national peril is that we are ignoring all the vital facts of the situation. Our enemies are none the less real because their ways are hidden ways. But they are a thousand times more insidious. What the war failed to do they seek to accomplish, and their ambition is to shatter in bankruptcy and ruin the once-splendid fabric of the British Empire.

A. N. FIELD.

Okiwi Bay,
Croixelles.

February, 1931.

CHAPTER I.

SOME FACTS ABOUT MONEY.

Before we can get very far into this matter of the price slump it is necessary to bear in mind a few simple facts about money. Contrary to general belief the essential facts about money are really quite simple and capable of being understood by any person of ordinary intelligence.

The chief thing to remember about money is that the more there is of it the less it is worth, and the less there is of it the more it is worth.

That is to say, if everybody woke up tomorrow morning and found himself or herself in possession of twice as much money as he or she had the day before, what would be the position? Jones and Brown, we will suppose had planned to go to an auction sale to buy a house. Both are keen to get it, and each finding himself in possession of twice as much money as he had the day before lets his bidding run higher. Multiply this all over the country, not only with house property but with everything else, and the net result will be that the price of everything will—after a time—be just about double what it was before the money was doubled. That was the situation we had just after the war when the price of everything went sky-high.

We will now suppose that the situation is reversed, and that we all wake up one fine morning—as many of us have done—to find ourselves in possession of half as much money as we had the day before. Naturally we have to make that little go a long way. Jones and Brown probably both decide that they can get along as they are and that buying that house must stand over. Everybody else is of the same mind. Gradually, after a time, the price of everything will drop to somewhere about half of what it was before the money supply was cut off.

Fortunately these changes do not happen overnight—or very rarely do—but they do happen rapidly enough

to cause enormous dislocation of human affairs. For instance by the early part of 1920 a British pound would buy only about 40 per cent. of what it would buy before the war. A few months later it would buy two-thirds of what it bought before the war, an increase in the purchasing power of money of 65 per cent. in one hit.

Moreover, in our illustration we have supposed that when the supply of money was doubled or halved everybody found himself and herself possessed of twice as much or half as much as the case might be. The disastrous thing about these increases or decreases in the quantity of money is just that they are not shared out evenly. Some people get more than their share and others get less. When money is plentiful everyone who has things for sale can put up his prices without more ado. But people who have to depend on money payment, the amount of which is fixed by contract or custom, find themselves very badly off. They get the same money income as before, but as the price of everything is up they are in a bad way, and maybe what was a comfortable income before becomes quite insufficient to live on. In the end everything adjusts itself, the old contracts run out and are renewed on a new basis, and fees and other charges fixed by custom are raised. Before this is done a great many people will probably have been ruined through no fault of their own and thrown into poverty and destitution.

Both these processes — increase (inflation) and decrease (deflation) of the currency—are great public evils. Of the two deflation is by far the worst. In an inflationary period the active people who are producing things benefit and the inactive and unproductive people, such as the drawers of interest, are injured. In a period of deflation, such as we are now experiencing, it is the other way round, and the active producers suffer, while the people who live on interest receive more than their share.

For instance, let us suppose that Farmer Robinson had bought a farm five years ago, and had figured it out that of his gross income one-third would pay his mortgage interest bill, one-third would keep him and his family, and the other third he would have free to put back into the farm. Very well, we will next suppose—it does not need much supposing—that Farmer Robinson's

income from his farm has fallen 50 per cent. by reason of the decline in the prices for his produce. For every £100 that formerly came in only £50 will now come in. But his mortgage interest bill will still remain at the old figure and out of every £50 he receives he will have to set aside £33 6s. 8d. for his mortgage interest. This will leave him with £16 13s. 4d. to carry on with in place of the £66 13s. 4d. free income for keeping himself and improving his farm that he reckoned on five years before. In other words an interest charge that formerly took one-third of the farm produce to satisfy it now requires two-thirds of the shrunken income.

Taken by and large that is what the farmers of New Zealand are up against today. The amount of money they are receiving for their produce has shrunk to about half what it was, and an altogether disproportionate share of that reduced income is swallowed up in mortgage charges. If the farmer cannot meet those charges his equity in his farm vanishes, and whether he remains on his farm or goes off it depends on whether his mortgagee thinks it more profitable to turn him off now or leave that over till later when the place can be sold up to better advantage. If he remains on it is only because he is willing to work for less than wages.

That the farmer's equity in his holding should be the first thing to vanish when a period of depression arrives is a morally vicious thing, and wholly opposed to the national interest. It is due to the fact that we live under laws that have been made at the behest of money-lenders in the interests of money-lenders.

The next point we have to consider is how these changes in the purchasing power of money are brought about. They are part of the price the world is obliged to pay for that disastrous modern invention, the Gold Standard. In countries that are properly on the gold standard every person who has a money claim on another can demand payment in gold coin. In a gold standard country anyone can take gold bullion to the mint and have it stamped into coin on paying a small fee. Altogether there is about 2,000 million pounds' worth of monetary gold in the world. Practically the whole of this, or, at any rate, by far the greater part of this gold is private property. At the end of 1929 the gold holding in Britain was about 150 millions. At the same date the

British National Debt, payable in gold, totalled about 7,500 millions. That is to say, the British Government alone owes three and three-quarter times as much gold as there is in the whole world, and fifty times as much as was held in Britain. And this debt is but a drop in the bucket of the total debts payable in gold.

In face of these figures the gold standard seems an incredible thing. It has been described, and not unjustly, as a fraudulent standard. It works only so long as no more than a tiny fraction of the people who are entitled to be paid in gold actually demand gold. As soon as any number of them demand gold the only thing the banks can do is to shut their doors and suspend payment. The whole thing is a sham and a fraud from top to bottom and has been the cause of more misery and wretchedness than probably any other human invention.

As the amount of gold is entirely insufficient for monetary purposes a vast superstructure of paper money has been built up, all based on this 2,000 millions of gold. First of all there is a limited amount of paper money proper in the form of Government or bank notes. On top of this there is that other and immensely more important form of paper money, the private cheque, in which the great bulk of payments are nowadays made.

In gold standard countries the total volume of notes in circulation and the total amount of cheques that may be written are all regulated by the gold held by the banks. The ratio of notes to gold is almost universally fixed by law. Banking policy usually fixes the ratio of cheques to the cash holdings. In Britain and America this cheque or credit currency usually stands to cash in the ratio about 7 to 1, but the figure is very variable.

This cheque or credit money is an elastic thing. The banks create it whenever they make an advance on overdraft. When bank advances are increased the quantity of money thus increases. To express ourselves more precisely we should say the purchasing power of the community increases. If there is no corresponding increase in the quantity of things purchasable this means that the general price level goes up, and what is described as an increase in the cost of living takes place.

On the other hand, when a bank calls up an advance it reduces purchasing power and decreases the quantity

of money. If the banks make a general move in this direction the purchasing power of the community shrinks and the general price level falls.

In speaking of prices and the price level the reference is, of course, to prices as a whole, not the prices of individual commodities. As Professor Irving Fisher has pointed out in his "Money Illusion," there are two kinds of movement in prices. The price of every individual marketable thing keeps bobbing up and down like the waves of the sea according to demand and supply and cost of production. Less noticeable, but much more important, the whole level of prices rises and falls like the tides of the ocean. It is only since the invention of index numbers that it has been possible to measure this latter movement. It is by far the most important movement. Every Government in the world now compiles its official price indexes. In New Zealand our Government Statistician compiles several. These indexes are compiled from scores, or usually a hundred or two, different prices, and show the movement of prices as a whole.

When money is based on a commodity—and not a particularly useful commodity—such as gold, changes in the value of gold can only express themselves by changes in all other values in relation to gold. When gold increases in value, a little gold will buy more, and the only way gold can buy more is by the prices of other things falling when expressed in terms of gold money. When gold declines in value, it takes more gold to buy the same amount as before, and in a gold standard country the only way this decline in the value of gold can find expression is by a rise in the price of things.

We have now reached a point at which several important facts have become clear. We have noted that there is in the world only about 2,000 millions of monetary gold, and on top of this, like an inverted pyramid, is erected an immense superstructure of credit and trade. If those who own this gold withdraw it from the banks and lock it away, the banks to escape bankruptcy, must curtail their loans, which they promptly do by cutting down overdrafts. This, as we have seen, reduces the public's purchasing power, and with reduced purchasing power prices must fall, and an era of trade depression set in.

CHAPTER II.

ONE COMMODITY CONTROLS ALL.

That money is more unstable in value than goods is a thing that few people realise for the simple reason that the only way a change in the value of money can find expression is by a change in the prices of goods.

The British pound is fixed by law as being 113 grains of standard gold. Except that eggs are cumbersome to carry about it might just as well have been decreed by law that a pound sterling was to consist of 113 eggs. Thereafter the price of eggs would always be nine and five-twelfth dozen to the pound. Everybody would say, "How stable in price eggs are: everything else goes up and down in price, but lo, behold, you always get 113 eggs for a pound note."

A little reflection will show us that as a pound had been decreed to be 113 eggs, eggs could never be any other price than 113 to the pound. Nevertheless if the fowls stopped laying and eggs became scarce this fact would not prevent the owners of eggs asking more for them. But if they gave only one egg for an article for which before the price had been two eggs, the result would be that expressed in terms of our egg pound the price of that article was reduced by half. That is exactly what happens when gold is cornered up and becomes scarce. The price of everything falls when expressed in terms of gold, that is in terms of money.

To control the price level, therefore, all that is necessary is to control gold. If you can control gold you can make a general fall in prices by locking the gold away, and you can make a general rise in prices by letting the gold out again. Incidentally, if you had this power you could make much money by buying when things were cheap and then selling again when they were dear. If instead of money you desired power you could buy up the industries, and all things whereby men live, during the periods of depression which you would create; and during the periods of prosperity which you would create you would be able—from the profits made by these industries you had already bought—to buy up more industries in the next period of depression you would

create. This process you could repeat until you finally came to own everything that you considered worth owning. In the end you would practically own the earth, and though but a private individual owning shares in this and that you would be more powerful than any government in the world.

That the main cause of periods of depression is not sunspots, as some people have fancied—or over-production or under consumption, as others hold—but is due to changes in the value of money is a view now widely held. For instance, let us consider the report of the Committee on Stabilisation of Agricultural Prices set up by the British Government and whose findings were published in 1925. That Committee said:

“Historically it is the fluctuations in agricultural prices as a whole which have been of the greatest importance and have had the most far-reaching consequences. The explanation of such general variations in prices is properly attributed to monetary causes—that is to say, the changes in the total available means of payment in a community to the total quantity of good and services to be marketed.”

In the course of its report the Committee went into the matter at length. It said:

“The history of agriculture since the Napoleonic wars, disregarding minor booms and depressions, may be roughly divided into five periods of alternating depression and prosperity, namely, 1820-50, 1850-74, 1874-96, 1896-1920 and 1920-24. A study of these periods can leave little doubt as to the disastrous consequences to agriculture of the variation in the purchasing power of money.

“In the past hundred years the three severe and protracted depressions—the first following the Napoleonic wars, the second after 1873, and the third following the European war, have in each case been due to falling prices. We do not propose to give a detailed analysis of these periods of agricultural history. It is sufficient to mention that in each case there was a profound disturbance of monetary conditions. In 1819 an Act of Parliament restoring the gold standard brought about a drastic restriction of the monetary circulation, as a result of which the prices of all commodities, including the products of agriculture, declined very rapidly. In

1874 the adoption of a gold currency by many countries of the world caused a shortage of gold, with the result that prices fell in all gold standard countries. In 1920 a policy of securing a gradual return from a paper to a gold currency was put into force with a similar result on prices. We need not describe in detail how these events worked out in the case of agriculture. The depression of 1920-23 has been dealt with elsewhere, and we attach to this report a memorandum setting out more fully the connection between monetary events and the condition of agriculture between 1874 and 1896. All we wish to do here is to call attention to the fact that in each of these periods the depression of agriculture was brought about by a general fall in prices, and that these price movements had their origin primarily in monetary causes.

"In the crisis which followed the Napoleonic wars, and in that after 1874, agriculture was reduced in many districts to a pitiable condition. In both cases much agricultural land was abandoned or greatly deteriorated, and the hardships caused to the rural population can hardly be exaggerated. If in the case of 1920-23 the losses and sufferings were less severe in spite of the very rapid fall in prices, it is because the crisis was preceded by a period of very rapidly rising prices during which large profits were made by the farmers. The majority were thus enabled to survive the severe slump which succeeded it.

"It is, however, only necessary to study the history of agriculture during the nineteenth century to see the demoralization and other ill effects of a depression that did not cease with the end of a period of falling prices. The alterations in the character of farming, the deterioration of large tracts of land, and the demoralization of the working population, have left their marks on the industry long after the causes which brought them about have ceased to operate. In short, the history of the nineteenth century seems to show, in a manner which is beyond dispute, that **variations in the purchasing power of money have been responsible for greater misfortune to agriculture than has arisen from any other single cause.**"

That is a clear and emphatic enough statement by a British Government Committee. Equally emphatic is the view of the Rt. Hon. Reginald McKenna, formerly Chancellor of the Exchequer in Britain, and now chair-

man of the Midland Bank. In his annual address to the shareholders of that institution in 1926, Mr. McKenna expressed the opinion, frequently repeated by him, that almost the whole of Britain's post-war trade depression and unemployment has been due to mistaken monetary policy. In his 1926 address Mr. McKenna said:

"Is there then any other contributory cause of this long continued trade depression? . . . Is there indeed, any explanation at all, or is it a haphazard affair nobody can understand and which we need not trouble to investigate? There is in truth no mystery in the matter, and in dealing with any country but our own we should not have the slightest difficulty in forming a right judgment. When we ourselves are not immediately concerned we recognise at once the influence upon trade of monetary conditions and policy . . . It is only when we turn from foreign countries and come to consider our own case that we meet a certain reluctance to discuss the effect of monetary policy upon trade and employment. That such influence exists is not categorically denied, but the subject is too often treated as one best left alone, lest we be led to unorthodox conclusions."

This last remark of Mr. McKenna's makes it interesting here to interpolate the following from an article by Mr. Arthur Kitson published in the "National Review" for March, 1925:

"Those who wish to understand the mysteries of money will never succeed until they realize that money-lending is a business run solely for the profit of the moneylenders, and therefore all rules, laws and so-called 'principles' governing finance are in reality devices for giving the members of this profession control of their business. In this respect the control of money and the means adopted are not dissimilar to those necessary for controlling wheat, cotton, wool and any other commodity."

A foremost American authority expressing the same view as Mr. McKenna is Professor Irving Fisher, formerly Professor of Economics at Yale University, and who is described by Sir Josiah Stamp, a director of the Bank of England and himself a much-quoted authority on economics, as representing the "best informed opinion" on the subject of money. In his book, "The Money Illusion," published in 1928, Professor Fisher

pointed out that the statistics of the International Labour Office at Geneva showed that in 1919-25 monetary deflation occurred in 22 countries and was followed by depression of trade and increased unemployment in all these countries, with three unimportant exceptions. In the United States and England the deflation of 1920-21 threw millions out of work. In England, the Professor points out, a second deflation was brought about in 1925-26 to bring the pound back on the gold basis. Again came unemployment and labour discontent, and the biggest strike in England's history. "Of course," adds Professor Fisher, "other causes were involved, but deflation was a powerful factor, and all the more powerful because hidden from view by the Money Illusion."

The "money illusion" referred to by Professor Fisher, is the illusion from which we all suffer, that prices rise and fall but money remains unchanged in value, whereas the truth is that our gold money is one of the most unstable things in the world.

In the front rank of European economists is Professor Gustav Cassel, of Sweden. In the course of some lectures which he delivered at Columbia University, New York, in 1928, and which have been since published under the title "Post-War Monetary Stabilisation" (Columbia University Press, N.Y., 1928), Professor Cassel said:

"What we call the general level of prices is, in fact, merely an index of the purchasing power, or value, of money. But the value of money cannot possibly be dependent on anything but the supply of money in relation to the demand for money. Even the value of money must follow the general law of supply and demand. The prevalent notion that the general level of prices is determined by a number of other factors, such as the cost of industrial production, ocean freights, etc., must be relegated to the domain of economic dilettantism."

Of the post-war return to the gold standard, Professor Cassel says (p. 34):

"Theoretically this was not necessary. The world had a system of paper standards, and if each of these paper standards had been simply stabilised at a certain purchasing power against commodities, the world would have had a satisfactory monetary system. Stabilisation did not in itself require that the separate currencies should be bound up with gold. . . .

"The gold standard is, however, by no means an ideal standard. The value of gold is subject to variations which cause serious difficulties to every country the economic system of which is built up on the basis of a gold standard. The modern gold standard dates from the Napoleonic wars. . . . Apart from the short-time fluctuations of the price level, attributable to trade cycles, great secular alterations in the purchasing power of gold have taken place. When, for instance, the index figure of Sauerbeck fell from 111 in 1873, down to 61 in 1896, this is sufficient to prove that gold is no reliable measure of value, and that even with a gold standard economic life is exposed to serious disturbances having their root in an unstable monetary system. The period which I mention is known in history as a period of prolonged economic depression. The generation then living had to pay a very heavy price for having built up its monetary system on a unit which could almost double its value within a quarter of a century."

Later on we shall see from documents which have been quoted in the United States Congress that the money interest itself recognises very clearly the importance of being able to control the quantity of money.

To understand the price slump it thus becomes necessary to trace out the mechanism by means of which the quantity of money is controlled and to learn what we can of the men who operate it.

CHAPTER III.

SOME TRICKS OF THE TRADE.

The modern gold standard is the invention of a British statesman on the advice of a British banker. That statesman was Sir. Robert Peel, whose own father curiously enough regarded him as a financial lunatic, and the banker was Samuel James Loyd, better known as Lord Overstone. In 1816 Lord Liverpool's Government had demonetized silver as legal tender except for small transactions not exceeding £2. Prior to that date gold and silver ranked equally as legal tender in Britain, as they did for many years after in most other countries.

As a great battle has raged around the silver question in different countries, it may be here explained that two metals are more difficult to control than one, and silver for this reason has consequently been extremely obnoxious to the great international money interest.

A cheerful beginning to the adoption of gold as sole legal tender in 1816 was a decline in prices of 24 per cent. between 1819 and 1824. The cause of this was the increased demand for gold in Britain, which was felt throughout the whole civilised world.

In 1844 came Sir Robert Peel's Bank Charter Act. Under that Act it was laid down that every ounce of gold of standard weight and fineness taken to the Bank of England must be purchased at £3 17s. 9d. and coined into sovereigns, or have Bank of England notes issued against it at the rate of £3 17s. 10½d.

The particular price put on gold was found by comparing it with silver. In Sir Robert Peel's time, when silver was the standard of most countries, an ounce of gold exchanged for about 15½ ounces of silver—the price of which was £3 17s. 10½d.

This Act had to be suspended three years after it was passed to save the banks and the country from ruin. It was again suspended in 1857, in 1866, and in 1914. As the amount of gold is totally insufficient for monetary purposes the gold standard collapses completely in any great emergency, and even when it does not entirely collapse it is accompanied by periodic financial crises

bringing needless disaster on hundreds of thousands of innocent persons.

The gold discoveries in California and Australia, and later in South Africa, were the principal things in preventing the gold standard from proving unworkable long ago. When this new gold began pouring into Europe soon after the middle of the century there was alarm among the money lenders. Some feared so much gold would come in that it would be better to abandon gold money and go for silver. Another course was to counterbalance the new gold by cutting out silver. Ultimately, on June 17, 1867, delegates from twenty governments met in Paris as an International Monetary Conference and voted in favour of an exclusive gold standard, but permitting each State to keep its silver standard temporarily.

"Thus," declared Mr. George H. Shibley, Director of the American Bureau of Political Research, in giving evidence before a Congressional Committee in 1913, "was accomplished the first step in one of the most horrible conspiracies against mankind the world has ever witnessed. The subsequent history of periods of falling prices for commodities bears out my assertion."

Following on this conference movements were initiated all over the world, even in countries as remote as Japan, with the object of making gold the sole monetary standard. In two notable instances the objective was gained by subterfuge.

In Britain, although long on gold, there was power under the law to resume the issue of silver as full legal tender by Royal proclamation, provided the Privy Council concurred. In 1870 a bill consolidating the mint laws was introduced into Parliament with this provision omitted. "Yet," stated Mr. Shibley in his evidence quoted about, "when the bill was up for passage no mention of the great change was made—at least nothing appears in the debate reported by Hansard (Vol. 199, col. 730). Again in the House of Commons the members were assured that the object was simply to perfect the mint law; and the same false statement was made in the House of Lords. The facts in detail," Mr. Shibley added, "have been stated by Alexander del Mar."

In the United States exactly the same thing was done. A bill was introduced in Congress to revise the mint law and the silver dollar was dropped from the list of coins

that might be minted. The first appearance of this bill was twenty-four days after the British mint law revision had been passed by Parliament. The Bill, however, did not get through until 1873. Nevertheless the absence of the silver dollar was not mentioned. The bill was passed by Congress in 1873, and a letter written by President Grant, who signed the bill, shows that eight months after it had been passed he was unaware that silver money had been abolished except for small change for amounts not exceeding five dollars. Leading members of Congress were also not aware of what they had done.

A tremendous agitation followed on the discovery of this trick, and in 1878 standard silver dollars were again made full legal tender save that by private contract parties might stipulate for gold payment of debts. Following on the monetary stringency of 1890 the Sherman Silver Purchase Act was passed by Congress, providing that the Government in order to prevent contraction of the currency should buy a stipulated quantity of silver each month. This law was exceedingly distasteful to the money interest, and an agitation against it was at once begun.

Some interesting light was thrown on this agitation by the Hon. Chas. A. Lindbergh, a member of Congress from Minnesota. From his place in the House of Representatives Mr. Lindbergh stated that he had seen a circular sent out by the American Banking Association and circulated among the influential national banks of the United States. This circular, bearing the date of March 11, 1893, was stated by Mr. Lindbergh to read as follows:

"The interest of national banks requires immediate financial legislation by Congress. Silver, silver certificates, and treasury notes must be retired, and national bank notes upon a gold basis made the only money. This will require the authorisation of five hundred millions to one thousand millions of new bonds as the basis of circulation. You will at once retire one-third of your circulation and call in one-half of your loans. Be careful to make a monetary stringency among your patrons, especially among influential business men. Advocate an extra session of Congress to repeal the purchasing clause of the Sherman law, and for its unconditional repeal per accompanying form. Use personal influence with your

Congressmen, and particularly let your wishes be known to your Senators. The future life of national banks as fixed and safe investments depends upon immediate action as there is an increasing sentiment in favour of Government legal tender notes and silver coinage."

This is a surprising document, but many surprising documents may be discovered by the curious printed in the Congressional Record reports of the delegates on the United States currency and banking bills. Mr. Lindbergh, himself, for instance, in 1913 quoted what is known as the Hazard circular sent out to the leading American banks in 1862 during the Civil War. That remarkable document read as follows:

"Slavery is likely to be abolished by the war power and all chattel slavery abolished. This I and my European friends are in favour of, for slavery is but the owning of labour and carries with it the care of the labourers, while the European plan, led on by England, is that capital shall control labour by controlling wages. The great debt capitalists will see to it is made out of the war must be used as a means to control the volume of money. To accomplish this bonds must be used as a banking basis. We are now waiting for the Secretary of the Treasury to make his recommendations to Congress. It will not do to allow the greenback, as it is called (Government paper money), to circulate as money for any length of time, as we cannot control that. But we can control the bonds, and through them the bank issues."

To return to the agitation of 1893, the special session desired by the bankers was called by President Cleveland, who had just been inaugurated after a campaign fought on the tariff question. It was thought that the special session was to deal with the tariff, and the country and politicians alike were greatly surprised to find that the sole measure for consideration was the repeal of the Sherman law, a matter that had scarcely been mentioned in the election campaign.

Congress was unfavourable to the proposal and the bill did not pass. On June 25 it was announced that India had stopped the free coinage of silver. This at once sent the price of silver down to the lowest point ever recorded. The Colorado and other silver mines in the United States stopped work, banks began to fail in the South and West, many factories shut down, wealthy

men of unquestioned credit could not get cheques cashed. Compared with the previous year the number of bankruptcies doubled, with a sevenfold increase in the liabilities. Three great railway systems went into the hands of receivers, the Union Pacific (of which more later), the Northern Pacific, and the Erie. At a special session of Congress later in the year the silver purchasing clause of the Sherman law was repealed. Meanwhile the crisis was already checked. Foreign investors began sending in money, taking advantage of the low price at which stocks were selling. It took American industry, for all its resources, four or five years to recover from this blow.

The results following on this panic were summed up by Mr. Arthur Kitson in the preface to the English edition of his book "The Money Question" (Grant Richards, London, 1903):

"Whether the events which have since transpired as a natural sequence," wrote Mr. Kitson, "were or were not foreseen by the panic organisers it is impossible to say, but the consolidation of capital—which before 1892 was a somewhat difficult problem—became very simple under the so-called gold standard regime. With the Government no longer a competitor, the banks rapidly combined for purposes offensive and defensive, and for all practical purposes the control of the currency under a single head became a possibility. Having the ability to employ so vast a power, the exploitation of the industries of America was rapidly accomplished. Undoubtedly the simplest way for first getting control of the industries of a country is to first get control of its currency. For the blessings or evils (whichever view one chooses to take) resulting from the formation of the great Trusts we must credit the financial policy of President Cleveland. In addition to having placed the nation's industries at the mercy of the bankers, another result of this policy was to indefinitely postpone the Free-trade era which was about to dawn upon the United States. . . .

"It is but fair to say that President Cleveland had no conception of the results that would follow the policy he inaugurated, for no one has denounced the system of monopolies and trusts more strongly than he, who was instrumental in creating that greatest of all—the Money Monopoly."

The crisis of 1893 was felt much further afield than the United States, for it extended even as far as Australia and New Zealand causing the suspension of many of the banks. While a considerable amount of publicity has been shed on certain forces concerned in the production of this crisis in the United States, it seems elsewhere to have been accepted as a natural visitation. Nevertheless the closing of the Indian mint to silver at so convenient a time for the drafters of the American bank circular points strongly to concerted action by financiers in different countries with a view to producing a world-wide variation in the purchasing power of gold.

CHAPTER 1V.

WHERE WE ARE RULED FROM.

The extracts quoted in the previous chapter show pretty clearly that variations in the value of money are the chief causes of periods of prosperity and depression. Our next step is to discover how these variations occur today.

As many people are still innocent enough to believe that gold—unlike silver, copper, tin, lead, and any other metal or commodity one likes to name—has a magical unchanging value and is incapable of being cornered, manipulated, controlled, or managed in any way, it is worth noting what some foremost authorities have to say about this metal and its control.

Everyone knows that paper money is managed money and that a danger of it is that those who manage it will print so much of it that it becomes worthless. Here is what Professor Cassel says about the modern gold standard:

"The whole lesson of the world's sad experience of monetary mismanagement can only be drawn if we realise that the gold standard is nothing else than a paper standard, the value of which is entirely dependent upon the way in which the supply of means of payment is regulated. The characteristic feature of the gold standard is only that this supply is regulated with the object of keeping the currency on a certain par with the value of gold."

Professor Cassel goes on to tell us what happened to gold when the war came:

"It was not enough that the gold standard was abandoned and that paper standards were adopted, but even the value of gold itself was affected in such a way that it was completely discredited as a measure of other values. . . . When gold coins were drawn out of circulation and when European gold flowed in large quantities to America, a superfluity of gold arose in this country (the United States), pressing down the purchasing power of gold to about 40 per cent. of what it had been at the beginning of the war. This lowest value was

reached in the spring of 1920, from which date, by means of a gradual process of deflation, the value of gold was brought up again in a few months' time to about two-thirds of its pre-war value."

That there is nothing automatic about the gold standard is also the view of Professor Irving Fisher. In his "Money Illusion," Professor Fisher says:

Under modern conditions with our vast credit structures the old theory of an automatic gold standard, beyond the reach of any voluntary control, has ceased to have much relation to reality. . . . To-day then, instead of saying that the paper dollar, or credit dollar, derives its value from the gold dollar into which it is convertible, it would be truer to say that the gold dollar derives its value from the credit dollar into which it is convertible. And since the volume of circulating credit is controllable and controlled we have already a managed currency in spite of ourselves."

None of the writers quoted has any doubt as to where or how the world's gold money is managed today. The institution that controls it is the United States Federal Reserve Board, a body established in 1913 as the chief part of a plan of banking reform enacted by Congress in that year.

Here is what Sir Josiah Stamp has to say of the United States Federal Reserve Board in an interview in the "New York Evening Post," reprinted by the National City Bank in its monthly circular for February, 1926:

"Never in the history of the world has so much power been vested in a small body of men as in the Federal Reserve Board. These men have the welfare of the world in their hands, and they could upset the rest of us either deliberately or by some unconscious action.

"Mind you, I am not criticising them, but it is precarious to have such concentrated power vested in such a body."

In his book "America Conquers Britain" (Knopf 1930), Mr. Ludwell Denny says:

"Many nations may laugh at our State Department, but all must tremble before our Federal Reserve Board.

"High money rates in the United States early in 1929, for instance, forced an increase in the official discount

rates almost at once in England, in ten European countries, in two Latin-American countries, and two in the Far East. And in almost every case that action restricted business and brought suffering to millions of foreign workers.

"That blow hit Britain hardest of all. It checked her trade revival. . . . As a result the British Board of Trade index soon showed a decline in commodity prices which the British correctly attributed to the rise in European money rates owing to the necessity which devolves upon central banks to withstand the pull of high call-money rates in America."

Here again is what Mr. Reginald McKenna had to say on this subject in his chairman's address at the annual meeting of the shareholders in the Midland Bank in London on January 28, 1928:

"Today, as before the war, the price of gold in America is fixed, and we are apt to assume that the value of gold continues to govern the value of the dollar. But such an assumption is no longer correct. While an ounce of gold can always be exchanged for a definite number of dollars, the value of the ounce will depend on what those dollars will buy, and this, in turn, will depend upon the American price level. If the price level in America fluctuated according to the movements of gold, the purchasing power of the dollar would still depend, as it did formerly, upon the value of gold. But we know that this is not so. As I have just shown the American price level is not affected by gold movements, but is controlled by the policy of the Reserve Banks in expanding or contracting credit. It follows, therefore, that it is not the value of gold in America which determines the value of the dollar, but the value of the dollar which determines the value of gold.

"The mechanism by which the dollar governs the external value of gold is obvious. If the price level outside America should rise in consequence of an increase in the supply of gold, America would absorb the surplus gold; if on the other hand, the external level should fall in consequence of a shortage of gold, America would supply the deficiency. The movement would continue until the price levels inside and outside America were brought once more into equilibrium. Although gold is still the nominal basis of most countries the real deter-

minant of movements in the general world level of prices is thus the purchasing power of the dollar. The conclusion, therefore, is forced upon us that in a very real sense the world is on a dollar standard. . . .

"I conclude that as long as conditions remain at all similar to those we know today America will be able to maintain control over the world level of prices."

That Britain put her money and prices under American control when she went back on to the gold standard in 1925 is also the opinion of Professor Irving Fisher. Commenting on Mr. McKenna's statement, Professor Fisher wrote in "The Money Illusion":

"As Reginald McKenna has said, the world now has a 'dollar standard' fixed by credit control rather than a gold standard fixed by gold bullion as such. It is doubtful if Englishmen would have relished this fact had they fully realised it when they adopted what they supposed to be an automatic gold standard. For what they really did was to substitute for an English-managed an American-managed standard. They were afraid to trust the English Government to manage its paper currency to keep it stable, but are now in the position of trusting the American Federal Reserve system to manage credit so as to keep it and all other money stable throughout the world."

Innumerable other opinions that the world's money and prices are chained to the policies pursued by the financiers who control America might be quoted. It is sufficient to conclude with what Professor Cassel has to say on the point in his book already mentioned:

"The monetary policy of the United States determines the value of the currency of every other gold standard country. The Federal Reserve authorities therefore control not only the general level of prices in the United States, but also the price level of all other gold standard countries in the world. . . .

"When the central bank system possesses a gold cover of over 70 to 80 per cent. for notes and deposits, while a ratio of 35 to 40 per cent. is required by law, it does not in the least matter whether this gold cover is increased or reduced by a few per cent. Hence the leaders of the United States bank policy are not obliged to pay any consideration whatever to minor fluctuations in the gold cover. This means that the Federal Reserve system is in

a position, of course within certain limits, to regulate the supply of the means of payment in the country without any regard to the movements of gold. Thus the Federal Reserve exercises an independent influence upon the level of prices. Other gold standard countries are compelled to follow suit and to adjust their price levels in conformity with that of the United States. Otherwise they expose themselves to a depletion of their none too abundant stocks of gold, or else to an influx of gold which they could not afford to leave unutilised. The increase or decrease in the stock of gold in the United States, which would be connected with such movements of gold, would have no material bearing on the monetary situation of that country, which, in spite of the fluctuations of its monetary stocks of gold, would be quite able to keep its general level of prices constant. **Consequently the price level of the United States has a determining influence on the world price level, which is actually regulated by the leaders of United States bank policy."**

Who are these leaders of United States bank policy who rule the world price-level today? The answer to that question deserves a chapter to itself, for when we uncover that leadership we reveal the seat of world control.

CHAPTER V.

THE MEN AT THE TOP.

In the preceding chapters we have seen that the most important thing in determining the price level for commodities is the quantity of money: we have also seen that the dominating factor in the money situation is the United States Federal Reserve Board. This Board is undoubtedly the most powerful human organisation in the world today. As previously stated it was founded at the end of 1913 by President Woodrow Wilson. Its real creator was Mr. Paul Warburg. Mr. Carter Glass, who piloted the measure through the House of Representatives, claims to be its originator, but in two large volumes published last year, "The Federal Reserve System: Its Origin and Growth," Mr. Warburg provides convincing evidence, amply supported from other sources, showing that he was the real originator of the board. In noticing these volumes the "American Review of Reviews" in June last told the story of the Federal Board as follows:

"Paul Warburg came to the United States from Germany thirty years ago. The story of his career might be more picturesque had he arrived via the steerage and the immigrant station at Ellis Island, but it happened that he took up his residence here as a young man of 34 who had already won a junior partnership in the powerful banking firm of Kuhn, Loeb and Company.

"He had been trained under the central banking systems of European countries, and to him American banking methods were archaic. If we had waxed prosperous as a nation it was in spite of a horrible banking system. With the rashness of youth he prepared a plan. Having prepared it, what else could he do but show it? In particular he showed it to the head of the firm, and the great Mr. Schiff (Jacob H. Schiff) passed it on to the great Mr. Stillman (James the elder), president of the National City Bank of New York. A few days later the young banker looked up from his desk to respond to Mr. Stillman's friendly but sarcastic greeting: 'How is the international financier?' He was advised to leave things alone: America had nothing to learn from Europe.

"The panic of 1907 brought Mr. Stillman back to Mr. Warburg's desk, and it brought to political as well as business leaders the need for financial reform. Mr. Warburg likens our banking system at that time to a community where each householder possesses a pail of water as a protection against fire and jealously holds on to his own supply whenever a neighbour's house is threatened.

"Looking back over the record of subsequent years one might wonder how Mr. Warburg kept his job with the banking house, so assiduously did he wage a campaign that was not ended with the passage of the Federal Reserve Act. In January, 1907, before the financial panic of the same year, he wrote by invitation an article for the 'New York Times' annual financial review under the title 'Defects and Needs of our Banking System.' Later in the midst of the panic he published a paper entitled 'A Plan for a Modified Central Bank.' He fought against the idea then prevalent of an elastic currency based exclusively on Government bonds. He fought against the dominance of political officers in any new plan. He argued for the inclusion of state banks and even trust companies at a time when others talked only of an association of national banks. He desired the inclusion of commercial paper among the liquid assets of a bank against which notes could be issued.

"Five years after Mr. Stillman had poured cold water on his ideas Mr. Warburg was being consulted by Congressman Burton, and was enjoying one-way correspondence with Senator Aldrich, leader of the Old Guard and author of the Republican plan for reforming America's banking system. . . ."

The Federal Reserve Law was duly passed by Congress. It differed very slightly from what was desired by Mr. Warburg, and that gentleman is reported to have said that this difference could be "corrected by administrative processes."

Mr. Warburg was appointed a member of the board on its establishment, and has been described by the London "Times," the late Sir Cecil Spring-Rice, British Ambassador at Washington during the war, and others, as the dominating force behind the Federal Reserve Board.

The Warburg family pedigree will be found in that

monumental work, the Jewish Encyclopædia. Mr. Paul Warburg is a younger brother of Herr Max Warburg, head of the banking house of Warburg and Company of Hamburg, established 1798. A list of the partners in this important banking house will be found in the "Enropa Year Book." In addition to members of the Warburg family, the partners include Dr. Ernst Spiegelberg and Dr. Carl Melchoir. Dr. Melchoir, described by Lord D'Abernon, late British Ambassador to Germany, as one of Germany's greatest financiers, was one of the six members of the German delegation in chief to the Peace Conference at Versailles in 1919. He is now chairman of the Financial Committee of the League of Nations, having succeeded Sir. Otto Ernst Niemeyer, and he has been a chief promoter of the Bank of International Settlements, planned to be the central bank for gold control of the world, and staunchly supported by Sir Otto Ernst Niemeyer, and a large number of other Anglicised German-Jew financiers in London.

The memoirs of Prince Max of Baden show that during the Armistice crisis in Germany in 1918 Herr Max Warburg was constantly consulted by him. Herr Warburg, with three others, actually drafted the speech delivered by Prince Max on taking over the Chancellorship. When the late Lord Lansdowne wrote his defeatist letter in 1917 urging peace, Herr Warburg was sent to the Hague on Germany's behalf to see what could be effected in the way of disposing of England. Prince Max of Baden refers to Herr Warburg as Germany's greatest authority on American affairs, and the Prince's memoirs show that Herr Max Warburg occupied a position of very great influence indeed in Germany. As we shall see later he has been described as the financial dictator of Germany.

Herr Max Warburg was born in 1867. His brother, Mr. Paul Warburg, was born on August 10, 1868. From "Who's Who in America," it appears that Paul Warburg married Miss Loeb, daughter of Mr. Solomon Loeb of the firm of Kuhn, Loeb and Company, in 1894. He thus became a brother-in-law of the late Mr. Jacob H. Schiff, who had also married a Miss Loeb, and who had succeeded as head of the firm.

Another brother, Mr. Felix Warburg, born in 1870, had gone to the United States in 1894, marrying a daughter of Mr. Schiff a year later, and becoming a

naturalised American citizen in 1900. He also became a member of the firm of Kuhn, Loeb and Company, which his brother Paul joined on arrival from Hamburg in 1902, becoming naturalised as an American citizen a year or two before the war.

Another partner in the firm of Kuhn, Loeb and Company since 1897 is Mr. Otto H. Kahn. Mr. Kahn was born at Mannheim in Germany in 1867. He became a naturalised American citizen and later on a naturalised British subject. Mr. Kahn gave his London residence, St. Dunstan's Lodge, as a hospital for Blinded British soldiers during the war. Mr. Kahn published a book of memoirs in 1921, "Reflections of a Financier" (Hodder & Stoughton), and the foreword to it is written by the Rt. Hon. J. H. Thomas, now Secretary of State for the Dominions. Mr. Thomas wrote of Mr. Kahn in highly eulogistic vein, his concluding words being, "Otto Kahn's face is towards the light." When we come to examine the world-wide ramifications of the firm of Kuhn, Loeb and Company, and the nature of its activities, this intimacy of a British Labour leader with one of its partners will appear a little singular.

Some interesting reference to the early history of the firm of Kuhn, Loeb and Company appears in "All in a Lifetime" (Heinemann, 1923), the autobiography of Mr. Henry Morgenthau, formerly United States Ambassador to Turkey. Mr. Morgenthau writes (p. 77):

"Another group in the financial oligarchy (of New York) was Kuhn, Loeb and Company, originally clothing manufacturers in Cincinnati, then note brokers, and finally bankers. Their great feat was taking over from the United States Government Receiver the Union Pacific Railroad and re-organising it. They then made their famous alliance with E. H. Harriman, and established themselves in the first rank of American financiers through the success of this joint financing of the Union Pacific Railroad, one of the most profitable of all feats of financial legerdemain ever accomplished.

"The trust companies entered the ranks of the financial oligarchs by virtue of a peculiar provision of the banking laws which permitted them to accept deposits and grant the checking privilege against them which was enjoyed by the banks, without being required to main-

tain the cash reserves against deposits, which was exacted of the banks. By paying interest on daily balances they attracted the best—the non-borrowing—accounts.”

In mentioning a transaction of his with the Knickerbocker Real Estate Trust Company of New York, in 1899, Mr. Morgenthau states that “among its members were Solomon Loeb, of Kuhn Loeb, Henry O. Havermeyer, John D. Cummins and John E. Parsons.” It was the failure of the Knickerbocker Trust that precipitated the great New York financial panic of 1907, which panic has been widely denounced in the United States Congress and elsewhere as having deliberately been created by financiers at a time when the country was in a state of prosperity. A run occurred on the Knickerbocker Trust and other institutions which were left unsupported, the persons making the run being, it is alleged, of the millionaire class. The panic was used to direct attention to the need for reform of the banking laws and led to the success of the campaign of Mr. Paul Warburg, partner in the firm of Kuhn, Loeb, for the establishment in the United States of central banking on more or less German lines.

For many years, until his death in 1920, the head of the firm of Kuhn, Loeb and Company was Mr. Jacob Henry Schiff. Mr. Morgenthau in his memoirs refers to Mr. Schiff as “Mr. Schiff, the great financier and much beloved leader of the Jews, and recognised as one of the most eminent citizens of America.” The Schiff pedigree appears in full in the Jewish Encyclopædia. In this work it is stated that the Schiff family is the oldest contemporary Jewish family of which there is any record, its earliest known member having been born about 1370. This fact, in conjunction with Mr. Morgenthau’s reference to Mr. Schiff as the ‘leader of the Jews’—Mr. Morgenthau himself being one of the leading members of the Jewish race domiciled in America—lends an especial significance to the far-reaching operations of the late Mr. Schiff and his partners, operations which now encircle the entire globe and affect the trade and industry of all nations.

The following biographical sketch of Mr. Schiff’s career, up to the date of its publication in 1906, appears in the Jewish Encyclopædia:

“Jacob Henry Schiff, American financier and philanthropist, born January 10, 1847, at Frankfort-on-

Main, adopted the vocation of his father, one of the brokers of the Rothschilds in that city. In 1865 he emigrated to the United States, and was employed for a time by Frank and Gans, brokers, New York. In 1867 he formed the brokers firm of Budge, Schiff and Company, which was dissolved in 1873. He then went to Europe and made connections with some of the chief German banking houses. Returning to the United States he became on January 1, 1875, a member of the banking firm of Kuhn, Loeb and Company, New York, of which he was soon practically the head.

"Owing to his connection with the German money market Schiff was able to attract much German capital to American enterprise, more particularly in the field of railway enterprise. His firm, under his direction, became the principal reconstructors of the Union Pacific Railroad about 1897; and in 1901 it engaged in a struggle with the Great Northern Pacific Railway. This resulted in a panic on the New York Stock Exchange (May 9, 1901), in which the firm of Kuhn, Loeb and Company held the situation at its mercy. Schiff's moderation and wise action on this occasion prevented disaster and caused his firm to become one of the leading influences in the railway financial world, controlling more than 22,000 miles of railway and 1,321,000,000 dollars (£264,200,000) stock. To him was largely due the establishment of community of interests among the chief railway combinations to replace ruinous competition, which principle led also to the formation of the Northern Securities Company. Schiff's firm was chosen to float the large stock issues, not only of the Union Pacific Railroad, but also of the Pennsylvania Railroad, the Baltimore and Ohio, the Norfolk and Western, and the Missouri Pacific railway companies, the Western Union Telegraph Company, and many others.

"It subscribed for and floated the large Japanese war loans in 1904 and 1905, in recognition of which the Mikado conferred on Schiff the Second Order of the Sacred Treasure of Japan. He was also received in private audience in 1904 by King Edward VII of England.

"Schiff is connected with industrial and commercial activities. He is a director of the Union Pacific, Baltimore and Ohio, and the Chicago, Burlington and

Quincy railway companies; of the Western Union Telegraph Company; of the Equitable Life Assurance; of the National Bank of Commerce and the National City Bank, the Morton Trust Company, the Columbia Bank, the Fifth Avenue Trust Company, and of various other trust companies in New York as well as Philadelphia.

“Schiff has especially devoted himself to philanthropy.

“All municipal reform movements in New York likewise have been supported by Schiff. . . .”

Mr. Schiff died in New York on September 25, 1920. The amount of his fortune was not disclosed. The London “Times” in a lengthy obituary notice of him which appeared in its columns two days later, stated that he left Frankfort at the age of 18 as one of a small band who set out to seek their fortunes abroad. In addition to the companies mentioned above the “Times” recorded that Mr. Schiff was a director of the Central Trust Company, the Wells, Fargo Express Company, the Title Guarantee and Trust Company, the Bond and Mortgage Guarantee Company, and many others.

From the foregoing it will be seen that Mr. Schiff, as head of the firm of Kuhn, Loeb and Company, played an active and important part in effecting those huge amalgamations of railway and other capital which were fought by President Roosevelt in his anti-trust campaigns. The Northern Securities Company formed by Mr. Schiff was so glaring a violation of the Sherman Anti-trust Law that it was sued by the Attorney-General of the United States and declared illegal by the Courts. Apart from this case the Sherman Law up to that date had accomplished practically nothing. Mr. Roosevelt, fighting for the people against these giant trusts, had a long and bitter contest with Mr. Harriman, a railway magnate very closely associated with the firm of Kuhn, Loeb, if not virtually a department manager of that concern. The suit against the Northern Securities Company, which company created a huge trust of the railways to the Northern Pacific Coast, was brought by President Roosevelt following a request by the Governors of six States concerned for action to protect their people.

We have already seen how the financial crisis of 1893 was made to the orders of the American Banking Association, according to documentary evidence quoted

in Congress. One of the results of that panic, created by the financiers, was that the Union Pacific Railroad went into the United States Government Receiver's hands, being unable to meet its liabilities. Mr. Morgenthau tells us that Messrs. Kuhn, Loeb next got hold of it and reorganised it by "one of the most profitable of all feats of financial legerdemain ever performed." Webster's International Dictionary defines the word "legerdemain" as follows: "Sleight of hand; a trick of sleight of hand; hence, any artful deception or trick."

Much information about the watering of stock and the over-capitalisation of the American railway companies will be found in the "New Encyclopædia of Social Reform," published by Messrs. Funk and Wagnalls, New York, in 1908. For instance, the Union Pacific Railroad was immensely over-capitalised and this was common to most systems. The Encyclopædia says:

"In its final report, 1902, the United States Industrial Commission states that out of 457 million dollars increase in railroad capitalisation in 1900, only 120 million dollars could be explained by new construction, the other 337 million dollars, or nearly four-fifths of the whole, being due almost entirely to sudden expansions in securities, in cases of reorganisation and consolidation. . . .

"Inflation of capital is regarded by many as a species of robbery. It is one of the most seductive methods of getting something for nothing which has yet been invented. The corporations and monopolies of America are greater sinners in this line than are to be found in any other country. . . ."

In its article headed "Corruption" the same publication quotes the following excerpt from the New York "Independent" of May, 1907, as to the Chicago and Alton Railroad. The Mr. Mortimer L. Schiff mentioned is the eldest son of the late Mr. J. H. Schiff:

"A syndicate composed of Mr. Harriman, Mortimer L. Schiff, James Stillman, and George J. Gould, bought nearly all the stock of the company. Within six years, under their management, the capital stock was increased from 40,000,000 dollars to 122,800,000 dollars, although only 22,000,000 was spent for improvements. Large quantities of bonds issued by the syndicate were virtually sold to the syndicate at sixty-five and then marketed at ninety to ninety-six, a considerable part being taken by

the great life insurance companies. The controlling owners also declared and paid to themselves a dividend of 30 per cent. The profits of these transactions appear to have exceeded 24,000,000 dollars. In due time 103,000 shares of the Alton stock were sold to the Union Pacific. The testimony showed that heavy commissions, amounting to several millions had been paid to the affiliated banking-house for its services in handling securities."

In its article on "Railways and Railway Problems," the "Encyclopædia of Social Reform" makes reference to a transaction in which Mr. J. H. Schiff was concerned. Under the heading "Stock Gambling," it says:

"Railway stocks constitute the backbone of speculation in Wall Street and corresponding centres of speculation in other cities. Panic after panic has been precipitated in Wall Street by the struggles of rival buyers to control the stock of some railroad. In 1901, for example, the stock of the Northern Pacific was forced up to 1,000 dollars a share, and one of the worst panics of recent years was the result. Those in control of railroads can easily make large sums by manipulating stocks so as to affect their values."

Under the heading "Railway Politics" this same American reference book says:

"From Maine to California for many years our railways have done their best to control the government of our States and cities so far as they come in contact with transportation interests, and for the most part they have succeeded. Now and then a wave of popular sentiment has overcome their influence in legislative bodies, as during the Granger movement in the '70's, and the Roosevelt movement of 1905-07, but in the long run the railroads have been able to control in large measure the nomination of members of legislatures and of the national Congress."

"The railroads will buy up a legislature just as they buy a car-load of mules," said the governor of a great state. . . .

"Where it is necessary the railroads do not hesitate to use money to buy the votes of legislators, either to secure the passage of measures favourable to the roads, or prevent the passage of measures likely to do them injury."

Reference is made by the Encyclopædia to another concern associated with the Kuhn-Loeb interests:

"Senator Platt testified that an insurance company like the Equitable usually gave 10,000 dollars a year to his machine as its ordinary political assessment, and more if it expected unusual favours."

The "New Encyclopædia of Social Reform" quotes from articles on municipal corruption by Mr. Lincoln Steffens which appeared in "McClure's Magazine" and were later published in book form under the title "The Shame of the Cities" (1904). In this is given an account of the colossal corruption in St. Louis, and among the corporations prominent in expending money corruptly were mentioned the Western Union Telegraph Company and Missouri Pacific Railroad, with both of which Kuhn, Loeb and Company are mentioned above as having been associated.

Under the heading of "Fostering Monopoly," the Encyclopædia says:

"Our railways foster monopoly directly and indirectly. By consolidation and combination they are building up numerous monopolies in the railroad field, and by concessions to favoured trusts and combines like the Standard Oil, the Beef Trust, the Sugar Trust, etc., they help to build up vast monopolies in manufactures and commerce. The Standard Oil monopoly was directly created by railroad rebate. The Beef Trust is another excellent illustration of a giant monopoly that owes its creation to the fostering care of railroad discrimination.

"A distinguished railway officer writing in the 'Outlook' says:

"It is estimated that 50 million dollars have been converted into the treasuries of various trusts since 1887 by means of rebates and other forms of favouritism, and that "present conditions promise not an abatement but an expansion of the methods by which this diversion may continue."

"The formation of the vast industrial trusts began in 1872 when the anthracite coal combination was formed by an alliance of producers and carriers and when the interests which compose the Standard Oil Trust first began to work in harmony with each other and use the power of their railroad allies to clear the field of competitors. Today there are 450 to 500 trusts, with an

aggregate capitalisation, including the railroad and other franchise trusts, of something like 20,000 million dollars. And still more trusts are forming and the limits of existing trusts are being extended and their interlocking interests increased and intensified. They are reaching out after the land, and the control of market, labour and raw materials. They are establishing international relationships aiming to monopolise the globe in their lines of business. And they are joining hands with each other.

“‘On the whole the situation seems to be this: The railways and other big franchise monopolies are co-ordinating with the great commercial combines into a gigantic machine controlled by a few financiers and created to manufacture or capture profit for them. Events are moving towards a consolidation of interests that will give a handful of capitalists practically imperial power through the vastness of their industrial dominions. There may be breaks in the movement, probably will be, but the integration of industry seems likely to continue in spite of strenuous efforts to prevent it by statutes and decisions. . . .’

“‘And the railways are generally regarded as forming the basis of the structure, or a large part of it. I have met with this opinion all over the United States and in some other countries.’”

In the article on “Corporations,” the *Encyclopædia* prints the following:

“With corporate capitalisations running up into the billions of dollars and controlling entire industries, it is necessary to keep the control in close touch with large financial and banking interests. Thus the gigantic railroad, industrial, and public utility corporations of the United States are all managed from what is commonly known as ‘the Wall Street end.’ That is, the control of the companies, as represented in the boards of directors and officers, is all in the hands of the banking interests of the country, who supply the necessary capital, combine the plants, form underwriting syndicates, float the securities, devise the plans of capitalisation and stand at the forefront of the financial organisations. The boards of directors are usually chosen by the banking interests, and of course all matters of policy are either approved or devised by these same banking interests.

Naturally the banking interests advocate policies which will serve to strengthen their control of the particular industries and conserve whatever special privileges the enterprises may have."

This view is very similar to that expressed by Mr. Louis D. Brandeis, now a justice of the United States Supreme Court, and the first Jew to be appointed a member of this highest American Court and the guardian of the Constitution. In his book, "Other People's Money," published fifteen or sixteen years ago, Mr. Brandeis said:

"The dominant element in our financial oligarchy is the investment banker. Associated banks, trust companies, and life insurance companies are his tools. Controlled railroads, public service and industrial corporations are his subjects. Though properly but middlemen these bankers bestride as masters America's business world, so that practically no large enterprise can be undertaken without their participation and approval."

Before we trace the steps by which the American money power has blossomed out under this direction to control the whole commerce of the world, it is advisable first to take a glance at the system whereunder the financial ring has the people of Germany in leading strings.

CHAPTER VI.

THE GERMAN SIDE OF THE STORY.

If you will turn to the article on banking in the 1929 edition of the *Encyclopædia Britannica* you will find that this authoritative work of reference states that the modern German banking system was established after the revolution of 1848. If you turn to that equally reputable English periodical, the London "Spectator," you will find in its issue of October 16, 1920, a leading article in which it points out that the revolutions which occurred in Europe in the year 1848 were led by Jews, just as the Bolshevik revolution in Russia in 1917 was led by Jews. Thus we get the position that a banking system which (as we shall see) has made Jewish bankers supreme in Germany was established following on a revolution led by Jews. This may be a coincidence, or it may not.

In his book "Freedom in Finance" (Fisher Unwin, 1919), Sir Oswald Stoll says:

"The financial ring which girdles the earth is gathered from all nations. Powerful elements in it are essentially American, but the dominating influence is Teutonic."

Of the German banking system Sir Oswald Stoll said:

"Six great German banks control scores of thousands of millions of capital throughout the world, through direct and indirect associations and silent partnerships. See Document No. 593 of the United States Senate issued at Washington by the National Monetary Commission."

This American Government document is a bulky volume of 1042 pages and deals with "The German Great Banks and their Concentration in Connection with the Economic Development of Germany." It shows how the financial ring holds German industry in the hollow of its hand.

In 1916 the late Dr. E. J. Dillon, for many years one of the best informed writers on foreign affairs in the English monthly reviews, wrote a book, "Ourselves and Germany" (Chapman & Hall, 1916), in which he made

reference to German banking methods, particularly in foreign countries. Dr. Dillon, for instance, described how in Italy and Brazil the German financiers had founded banks with high-sounding names indicating a local origin, with local directors, and with much money subscribed locally, but with all real control kept in German hands. These banks, according to Dr. Dillon, were used in all sorts of ways for the exploitation of the local population for the advantage of the German financiers who had established them.

For example, if it was desired to obtain control of a local industry, it would be offered extraordinarily attractive banking terms and induced to give its account to the German bank. Lavish advances would be made until the concern was judged to be too deep in to extricate itself. At this stage the screw would be put on by some not too glaring means, the heavily indebted concern plunged into such difficulty that in the end the bank took it over for a fraction of its value.

Another device, according to Dr. Dillon, was for the bank to put pressure on those of its customers in its debt to give their foreign business to the German firms in which it was interested. People who failed to follow the good advice given and did not buy and sell through the German channels so kindly suggested by the bank were said to find themselves up against all sorts of financial and credit difficulties, springing up from no apparent cause on all sides of them. Of course, it was war time when Dr. Dillon wrote his book, and he was probably less reserved in what he said about German methods than would have been the case had he written when we were at peace with Germany.

The backbone of German trade is the close alliance between the banks and the kartels. A kartel is a "trust" or "syndicate" of trades or industries. These trusts make binding agreements as to output, markets, profits, and prices. Each kartel has a monopoly of a given district, and all the firms in the kartel work together as to output and prices. Under the kartels the German retail dealer becomes a mere agent. He may only buy and sell from his local kartel. He may buy and sell only such goods as the kartel allows; and the buying and selling price and the quantity he may sell are all fixed by the kartel. The kartels in their turn are controlled by the banks, which virtually own them. Most British people have

heard of the great German dye trust, built up on an English invention for the extraction of dyes from coal tar. What is true of the dyes is also true with a rough parallelism of metallurgy, engineering, the electrical industry, and so on. In passing it may be noted that according to Lord D'Abernon's memoirs of his ambassadorship in Germany, Herr Deutsch, head of the great German electrical combine, the Allgemeine Electricitäts Gesellschaft, employing 60,000 men, is a near relative of Sir George Lewis, the famous London society lawyer who was said to know more family secrets than any other man in Britain, and Herr Deutsch's wife is a sister of Mr. Otto Kahn, partner in the firm of Kuhn, Loeb and Company of New York. This little fact enables one to realise how international in its connections is high finance.

The kartels of Germany were largely built up by Jewish bankers of that country, and later German Jewish bankers in the United States played a prominent part in building up the great trusts there by means of which they brought American industry under their own control.

Many writers have remarked on the curious fact that although the Jews have been worse treated in Germany than in Britain there appears to be a more sympathetic feeling among them for Germany than for Britain. It is stated that the German or Ashkenazim Jews, who today constitute a great portion of the world's Jewry, have no blood connection with the Jews of Palestine, but are the descendants of people who at the time of the Kajar Empire in South Russia, about A.D. 800 to 1000, emigrated to it from central and southern Europe and the Near East, attracted to the Kajar domains by the prestige of that empire, whose Emperor, incidentally, had become a convert to Judaism. The immigrants became converts to the Jewish faith also, and intermarrying with each other and with the Mongoloid and Armenoid Asiatics they found there produced the type now commonly called Jewish. When the Kajar (also spelled Khazar) Empire came to an end some of those people remained in Southern Russia and others gravitated back to the lands from which they had originally come.

Mr. E. A. Skrine in his "Expansion of Russia" (Cambridge University Press, 1904, p. 275), wrote that "Russia, rather than Palestine, is the Jewry of the

modern world; for out of six and a half millions of the chosen people four-fifths are to be found within that Empire."

The Sephardim, or Spanish, Jew is a different type altogether, and according to the Jewish Encyclopædia, "the Sephardim never engaged in chaffering nor usury, and they did not mingle with the lower classes." On being expelled from Spain and Portugal they became widely scattered over Western Europe. Disraeli, for example, belonged to the Sephardim. Further the Jewish Encyclopædia states that "although the Sephardim lived on peaceful terms with the other Jews they rarely intermarried with them."

The Jews have been much persecuted in Germany, and the newspapers of late have recorded further outbursts against them. The persecution of the Jews is no doubt connected to a large extent with their addiction to usury. As Mr. Arthur Kitson says in his book "The Money Question":

"Originally denounced as immoral by the founders of the Christian Church, and legally prohibited for many centuries, it (usury) has become the very foundation upon which our so-called Christian civilisation has been built. The practice of charging for the loan—formerly termed usury—was expressly forbidden among the Jews by the laws of Moses. Permission to exact usury from the Gentiles was, however, granted—a permission of which the Jews were not slow to avail themselves, and to which is attributable more than to any other cause the terrible persecutions they underwent during the Middle Ages, as well as in later times."

In a war-time book, "Degenerate Germany" (T. Werner Laurie, Ltd., 1915), Henry de Halsalle wrote as follows of the position of the Jews in Germany:

"In the Teuton's wonderful capacity for hate the Jew occupied the first place until August last. Of modern Germans the hysterical Treitschke it was who first arraigned the Hebrew. In a series of articles in the 'Preussische Jahrbucher' (November 15, 1879, et seq.) he screamed a warning to Germany of the growing power of the Jews; he pointed out their solidarity as a separate caste (and race); he called attention to their power and arrogance in the press, to their resentment of German (Christian?). criticism. of. themselves. and. their. ways,

while they arrogated their own right to criticise wheresoever and whomsoever they thought fit. In this attitude of the Jews Treitschke affected to find the cause of the then Anti-Semite agitation raging in Germany. So widespread is the loathing of the Jew by the German that it has brought into being a complete Anti-Semite literature . . . Jews are still sternly boycotted in the 'best' society: they are not admitted as active officers in the army, although they are suffered in the reserve . . .

"To a man the Germans not only hate but fear the Jew. Only too well do they know that he dominates the Press. The great international news agencies, Reuter and Wolff are controlled by him. He commands the money and the produce markets. He directs the theatres, supplies the capital, most of the performers (not to mention critics), and furnishes a remunerative audience. All the professions in Germany (save the army and navy) are crowded with Jews. The law abounds with them and there are not a few on the judicial bench. A Jew founded Germany's mercantile marine. The best and largest houses in Berlin, in the Tiergarten and the Bellevue-strasse, are almost all the property of Jews. Nay, if the German Press possessed the power of the British Press; if entry to the Reichstag could be assured by wealth, and if the German Army were to admit to officership all the Jews who go up for examination, Germany would soon become the Jewish Empire. And pagan Germany knows it, and has feared it for many years past. . . . It is the Jew who is primarily accountable for Germany's late commercial prosperity: the Germans know it, but are too envious and conceited to say so. . . . Whatever town of importance you visit in Germany you will find that the principal doctors there, the men of science, art, and literature are of the Jewish faith. . . . Amazing it is that this wonderful, ancient race, scientific, artistic, far more clever in every way than the upstart Germans, should take the German ill-treatment of them 'lying down' and still persist in vainly seeking an entry into Berlin 'society.' Who knows, however, what will happen in 19——. Will the Jews then inherit the kingdom of Prussia. . . ? Will the German Empire become the Jewish Empire?"

Mr. de Halsalle is not animated by any feeling of hostility towards the Jews of Germany. On the contrary,

he remarks: "I must say it is not without admiration I regard the Teutonic Israelite." In stating that the Jews dominated many departments of activity he was merely recording facts, and his general line of argument was that the German was a person inferior in every way to the Jew he despised, but who dominated his country, or promised soon to do so.

In the "National Review" for March, 1925, Mr. Arthur Kitson made some reference to German finance and banking methods in the course of an article entitled "The International Bankers' Game." In this article appeared a lengthy extract from an article originally published in the November, 1924, issue of Mr. Henry Ford's paper, the "Dearborn Independent." As we will see in a subsequent chapter, Mr. Ford in 1927 made a general retraction of his criticisms of the Jews published in the "Dearborn Independent," and his son, Mr. Edsel Ford, now president of the Ford Motor Company, in 1929 became a fellow director in a colossal international chemical combine with Mr. Paul Warburg, whose activities were described in this article in the "Dearborn Independent." So far as the writer knows no specific retraction of this article was made by Mr. Ford or by the "National Review," which reprinted it. Moreover, Mr. Kitson in a previous issue of the "National Review" (November, 1924) had published a general outline of the same facts, apparently obtained from independent sources. It would thus not appear that any injustice will be done by reprinting excerpts from Mr. Kitson's article of March, 1925. In his opening paragraphs Mr. Kitson said:

"In the November issue of the 'National Review' I outlined the plot conceived by certain German-American-Jewish financiers for dominating the world under the currency system known as the 'gold standard,' which is being carried to a successful issue with the aid of certain of our London bankers at an astonishing rate of speed. (Note.—Britain returned to the gold standard in the month following the publication of Mr. Kitson's article.)

"The progress of this conspiracy was traced from its incipency down to the introduction of the Dawes Scheme—starting with the passage of the American Federal Reserve banking system, which was established under President Wilson, with Mr. Paul Warburg, a German-Jewish banker of Hamburg (who became a

United States citizen only three years prior to the War) as its controller."

In the second portion of his article Mr. Kitson wrote as follows:

"Whilst our financiers and treasury officials (whose chief significantly bears the name of Sir Otto Ernst Niemeyer) have been assisting in welding the golden chain which is to control the British public, the instigators of the whole policy have been busy in other directions. Mr. Henry Ford has recently thrown a flood of light on the recent movements of Mr. Paul Warburg and his associates in New York and Germany."

In a footnote Mr. Kitson said:

"It is worth noting how unanimous our Anglicised German financiers are in desiring the re-establishment of gold in this country—Sir Felix Schuster, Baron Schroeder, Mr. Otto Kahn, Fruhling Goschen, Kleinworth & Co., etc." The name of Professor Theodor Emanuel Gugenheim Gregory might appropriately have been added to this list.

Mr. Kitson continued as follows:

"It should be remembered that a conspicuous member of the Warburg group, Mr. Otto Kahn—an Americanised German—has recently adopted England as his home, and has been expressing his great admiration for the gallant British public who are bravely shouldering their debts and setting to the world an example of national honesty! How he must chuckle to himself when he reads his opinion quoted seriously in a Sunday newspaper which has made the cause of the moneylenders its own! In a burst of enthusiasm this journal recently exclaimed, 'What a fortunate people we are!'—referring to the recent speeches of the Presidents of the five great banks which, together with the Bank of England, constitute one of the most gigantic monopolies in the world: a monopoly that is today the 'dead hand' paralysing our trade and commerce.

"In the November number of Mr. Ford's paper, the 'Dearborn Independent,' the financial conspiracy outlined by me in last November's 'National Review' is fully confirmed in the following paragraph which appears as an introduction to the series of articles written by the American journalist, Mr. Hamilton York. He says: 'This is the first of a series of articles in which will be

set forth the elements of a scheme which is intended to place in the hands of a small group of international financiers, not only the arbitratment of the fate of Europe, but control of the destinies of all nations. In this article the activities of Paul Warburg, of New York, a German-Jewish financier, naturalized in America, are fully explained.' The writer then proceeds as follows:

"The adoption of the Dawes Report establishes a mechanism whereby the world's gold is placed in control of the general board of the Schacht Gold Bank of Berlin, organised at the suggestion of the Warburgs in anticipation of the Dawes Report as a cover for the international group of financiers—of which Mr. Paul Warburg is a member—and the existence of which Mr. Otto Kahn denies.

"It would not be possible to make this statement so confidently were it not for another event, namely, that Congress passed an amendment to the Federal Reserve Act in March, 1923, which authorised the Federal Reserve Bank to discount credit paper, including foreign acceptances. The Federal Reserve Board waited until March, 1924, before taking advantage of that authority. The resolution of the Board, which now permits discounting of foreign acceptances, was promulgated in April, 1924, almost simultaneously with the issuance of the Dawes Report.

"The full significance of the last event does not appear until it is digested in terms which appeal to the German-Jewish banker, which may be stated thus:

"By re-discounting German trade acceptances, participating American banks and their depositors are financing the revival of German trade and secondarily Russian trade.

"It indicates further that the German-Jewish banking system by means of which Germany is now controlled has been imposed upon the United States from without, where it could not be made to grow from within.

"If the American people are to gain a clear understanding of the system of financial control which is about to be imposed upon international commerce through credit operations, and which has been gradually developing in the United States since the passage of the Federal Reserve Act in 1914, the best way is to observe the system as it exists in Germany. Its home is in that

country where it has been moulded into a perfect machine by a small group of men, practically all Jews.

“It is not a question of the adequacy of the wage which the system allows for service as opposed to what service would bring in a free and open labour market, but it is a question of the possibilities of exploiting everybody through artificially induced variations in the value of money. Should even the most powerful fail to become a cog in the system, he is economically broken, and he is a lucky man if he can gain a livelihood for himself and his family thereafter. As will be shown, this system of punishment has already been introduced into the United States.

“It is perfectly correct to call this a Jewish system, for that mind has developed it through long years of ambitious training and experience. At least, as far back as the time of Frederick the Great, Jewish bankers dominated German finance. Itzig, Ephraim & Co. of Berlin furnished the money for the prosecution of the Seven Years' War, and to build Sans Souci and the larger palace at Potsdam. Itzig was also a notable leader of the Berlin Kahilla.

“Moses Mendelssohn, the earliest of the Jew Nationalists in a modern sense, was a close associate of Itzig's son-in-law, Friedlander. Already the influence of the house of Rothschild was beginning to be felt throughout Europe. Within ten years after the opening of the nineteenth century, the private banking house of Bleichroder was established in Berlin, and for many, many years the Bleichroders managed the personal finances of the Hohenzollerns.

“The Bleichroders and the Mendelssohns represented a school of private bankers which has been pushed aside by an invasion of more aggressive Jewish types from the north-east, and which apparently had stronger admixture of Tartar blood in their veins. They were not satisfied to be private bankers, but started in to gain economic control and also to own the State. We must credit the Warburgs, the Wolfs, the Rathenaus and their close associates for building up the present Jewish financial system in Germany. Real control began in the late 'seventies as the result of financing State ownership of the railway. This is a romance all by itself, and well worth the study of anyone.

“‘Extensions of credit—teaching people to become dependent on credit—were necessary to the development of the modern speculative financial system. Co-ordinate with these was the growth of that external trade necessary for the maintenance of a growing population. As the business of Germany grew and the liquid capital increased, the control became more and more centralised in Jewish hands, until in the last half of the last Kaiser’s reign the banking cabal controlled the State. **It was the State.**

“‘Germany could not have started the aggressive war of 1914 without the encouragement and assent of this group. It was this group that staged an opera bouffe revolution to fool the world with the loss of only a few lives. In establishing the so-called republic it fixed the laws in such a manner that its own position was made more secure, and finally through the active participation of Walter Rathenau, it arranged the relations of big business to the State so that the political organization of the German Reich today is simply a front for this small group of German financiers. **These men can do as they please, and have done as they please with the German people.**

“‘The key to this situation, the fact that allows the persistence of such a pernicious system, lies in the German law which permits banks to hold shares in other banks and in industrial corporations. Until the passage of the Federal Reserve Act such privileges were not accorded banks in the United States for fear that there might develop a system of overlordship which has reached such perfection in Germany. Eventual control of industry and the banking facilities of the country would necessarily drift into the hands of a few. But the Jewish system of Germany has led and directed such a movement for concentration and apparently with a conscious objective. The result is that the interlocking directors of the greatest German banks, about six in number, dominate the country. The list would include: The Reichsbank of issue for the Government bankers’ central bank, the directors of which are responsible for the depreciation of the German mark and the suffering which it entailed; the Disconto Gesellschaft; Max Warburg & Co., of Hamburg, to which was allocated the shipping of Germany, and which controlled the North German-Lloyd and Hamburg-American lines; the

Deutsche Bank, mainly concerned in the development of the metal industries; and the Bank für Handel und Industrie (Darmstadter Bank). It is quite possible to contend that others should be included. It is difficult to draw a line. In any event with the Reichsbank as a key bank the list is substantially correct.

"The outstanding fact is that by a system of inter-owning stocks, interlocking directorates, assignment of spheres of interest, and by a mutual arrangement of interests, the banking system is one whole, presenting different fronts in different corporate names. The control lies, perhaps, in the hands of a hundred men who cluster in the directorates of the banks named, and whose names appear in the directorates of the largest corporations, and of whom 95 per cent. are Jews. As is usual in associations of this character, there are a few who lead. While the figure of Max Warburg, of Hamburg, may not loom large three thousand miles away as the dominating figure of this aggregation, since the death of Walter Rathenau, the Warburg influence has been the directing force, has furnished the financial *finesse* which has enabled his group greatly to increase its power, and this has been mainly accomplished through the faithful co-operation of his two brothers, Paul and Felix, in New York.

"At the present time these bankers absolutely control and exploit for their own gain four-fifths of the internal commerce of Germany, whether industrial, agrarian, or what not. The residual one-fifth represents small transactions between individuals in small communities in which the profit is nominal.

"The inquiring individual will wonder how it is possible to include within the above designation the word "agrarian." How are farm products controlled? The history of this phase of their undertaking is an interesting one, and its accomplishment furnished a most difficult task. But it was eventually achieved. The control of the markets, and the methods of transportation, the organisation of land banks for the purpose of giving credit to the agrarians, who in turn had to be taught to accept credit, these banks being linked in with the general system, all comprised the machinery which enslaved the farmer. The working man was captured and held through the imposition of social insurance laws, compulsory health insurance, for instance, as was fully described by Bismarck, who said in his autobiography

that these laws were passed to throw "a golden chain about the necks of the workers."'"

That is the whole passage from the "Dearborn Independent" quoted by Mr. Kitson. He adds the following comment:

"It will be remembered that similar insurance laws were enacted under the Asquith Liberal regime, having been introduced from Germany by Mr. Lloyd George.

"These 'Dearborn Independent' articles are of enormous interest and importance to every person who wonders where Europe is drifting. They prove conclusively that under the gold standard—the virtues of which our bankers and city editors are just now extolling—the world is being enmeshed in a net which will leave the wealth producers of all countries as helpless as the Russian peasants are under the system of Bolshevism instituted by Lenin and Trotsky.

"The one aim of these financiers is **World Control by the creation of inextinguishable debts!** And since gold is a metal which neither laws nor inventions can increase, the supplies of which Nature has so far limited to a comparatively insignificant quantity, control has become a very simple achievement. And the irony of the situation is in remembering that this instrument of slavery was the creation of a British Statesman on the advice of a British banker!

"It will be remembered that in my November article I stated how averse the American people have hitherto been to the establishment of a Central Banking System. Past experience showed the danger to the State in allowing any group of individuals to control the money and credit of the people.

"Both President Wilson and Senator Owen, who stood sponsor for the new banking system, believed that the Federal Reserve Banking System prevented any possibility of a money or credit monopoly. But Mr. Paul Warburg appears to have outwitted them, and this system, which is modelled on the German bank principle, is now the recognised source of the money supplies which the Warburg group are employing on behalf of Germany and Russia, the same group which financed Lenin and Trotsky! . . .

"It may be enquired in what way can this group of

German-American-Jewish bankers control British finances? The answer is simply by means of their control of America's gold supplies. It is with this group that our simple-minded Governor of the Bank of England will be compelled to deal. **The control of gold under the gold standard means the control of credit**—which led the late Sir Edward Holden to admit in one of his illuminating addresses to the Bankers' Institute: 'Gold therefore controls the trade of the world.'"

Readers who may be inclined to question the above view of the role played by the Warburgs in recent international events will find ample indications of it in the occasional references in the Memoirs of Prince Max of Baden to the influential position occupied by Herr Max Warburg during the momentous period in German history when Prince Max was Chancellor and the German republic was in process of establishment. The fact that Dr. Carl Melchior, the only non-Parliamentary member of the main German Peace Delegation at Versailles in 1919 was a partner in Warburg and Company, Hamburg, is equally significant of the great influence of this banking house in German affairs. Still more significant is the leading part taken by Dr. Melchior in the foundation of the Bank of International Settlements, and his chairmanship of the Financial Committee of the League of Nations.

Mention has been made by Mr. Kitson of Warburg connection with the transportation to Russia of Lenin and Trotsky, and their alleged financing of the **Bolshevik** revolution. Before proceeding to trace out the steps by which the Federal Reserve System was established in the United States it is expedient to devote a chapter to **Russian affairs.**

CHAPTER VII.

HOW RUSSIA WAS SMASHED UP.

That there was strong Jewish hostility to the Tsarist regime in Russia is a well-known fact. In a previous chapter it has been noted in a quotation from the Jewish Encyclopædia how Japan was financed in her war against Russia in 1904-05 by the late Mr. Jacob H. Schiff, partner and brother-in-law of Mr. Paul Warburg. Mr. Schiff was described by a foremost American Jew as the "beloved leader of the Jews," and by the Jewish Encyclopædia as head of the oldest contemporary Jewish family of which there is record. It has been stated in the "National Review" that this Jewish financial support of Japan is thought to have been a retaliation for Russia's treatment of the Jews.

The late Sir Cecil Spring-Rice, British Ambassador to the United States at the time, records a further striking instance of Jewish dislike of Russia in a letter written by him in January, 1914. Under the old Hague peace scheme the United States had negotiated treaties of arbitration with various countries for the settlement of international disputes without recourse to war. That with Russia fell due for renewal, and Sir Cecil Spring-Rice in a letter written in January, 1914, recorded that President Woodrow Wilson proposed a new treaty in its place. He added:

"No sooner was the President's statement made than a Jewish deputation came down from New York and in two days 'fixed' the two Houses so that the President had to renounce the idea of making a new treaty with Russia. They are far better organised than the Irish and far more formidable. . . . Their present objective is to have a judge on the Supreme Court bench. Speyer, the brother of your friend, has lost his influence by marrying a Christian. Bernstorff (German Ambassador at Washington) has sent his son into Speyer's office. . . . The principal Jew is now Schiff."

The above extract indicates both the hostility of the Jews towards Tsarist Russia and their power in the United States. Their desire for a Jewish judge on the

Supreme Court bench was gratified in 1916 when President Wilson appointed Mr. Louis Brandeis to be an associate Justice of this highest American Court. The Mr. Speyer referred to is apparently Mr. J. J. Speyer, head of the American financial firm of that name, and brother of Sir Edgar Speyer whose certificate of naturalization as a British subject was revoked in 1922 in consequence of transactions with Germany during the war. Born in Germany, Sir Edgar Speyer had settled in London in 1887 and became the head of the firm of Speyer Bros., his wealth was large, and as the London "Times" pointed out in its issue of January 7, 1922, "he was the friend of distinguished persons, he was a munificent patron of music. He was created a baronet in 1906 and a Privy Councillor in 1909." In 1915 he went to the United States and remained there. In his book, "The Alien Menace," Lt.-Col. A. H. Lane states that Sir Edgar Speyer was closely associated with the late Mr. Asquith, afterwards Earl of Oxford. Nevertheless, despite the honours bestowed upon him by Britain, this eminent German-Jew was in the end found by the Government to be unworthy of the privilege even of ordinary British citizenship, much less of being an adviser to the King in His Majesty's Privy Council.

However, we are drifting away from the Russian side of our story. A recent writer on Russia is Mr. Walter Russell Batsell, and the following passage from page 20 of his book, "Soviet Rule in Russia" (Macmillan's, New York, 1929), is not without significance.

"History will be likely to give prominence to plans for the destruction of Russia formulated at the Masonic Congress held at Brussels a few years before the world war; and, secondly, the final episode relating to the murder (of the Russian Royal family) at Sverdlovsk will be recorded as an act of Sverdlov, the Jewish head of the governmental authority under whose guidance the final act of vengeance was apparently engineered."

Mr. Batsell added the following footnote to this statement:

"See E. A. Walsh, 'The Fall of the Russian Empire' (Boston, 1926), page 110, for mention of the plan of the (Grand Orient) Free Masons to use Rasputin to destroy Russia, and chapters ix-xi of the same book for details of the murder of the Tsar and his family."

Mr. Batsell also quotes in his book the following passage from a book, "The War of Lost Opportunities," written by General von Hoffman, chief of the German general staff on the Russian front during the war:

"Some man [in Germany] who had connections with the Russian revolutionaries exiled in Switzerland came upon the idea of employing some of them to hasten the undermining and poisoning of the Russian army. He applied to the Deputy Erzberger and the Deputy of the German Foreign Office and thus it came about that Lenin was conveyed through Germany to St. Petersburg in the manner that afterwards transpired."

There is some reason to think that the German Government was reluctant to sow the seeds of revolution in Russia. Revolutionary ideas are infectious, and it is dangerous for an autocratic monarch to provide an example of successful revolution in a neighbouring country, even if it is temporarily an enemy country.

A revolution had occurred in Russia in 1905, as a result of which the first Duma, or Parliament, was established. A workers' Soviet was set up by the revolutionaries and of this the Jew Leon Braunstein, afterwards better known as Trotsky, became the head until arrested, when he was succeeded by Dr. Helphand (alias Parvus), of whom more anon.

In a letter published in the London "Spectator" on June 12, 1920, Mr. Lucien Wolf, a well-known Jewish journalist and author of the article on Anti-Semitism in the new edition of the Encyclopædia Britannica, asserted that when the Russian revolution occurred in 1905 the secret police of that country were set to work to stir up pogroms, or massacres and persecutions of the Jews, who were blamed for the revolution. As part of the anti-Jewish propaganda, according to Mr. Wolf, there was published a pamphlet by Professor Sergius Nilus, a minor official in the Russian Foreign Office, containing what Mr. Wolf declared to be baseless and repeatedly exposed forgeries, the "Protocols of the Learned Elders of Zion," setting forth a plan for Jewish world domination, allegedly found in documents stolen from a member of a Masonic society in France.

At the end of 1905 the Tsar and the Kaiser met and signed their famous secret treaty of Bjorko. Mr. Wolf states that in January, 1906, the Tsar approved a secret

memorandum drawn up by Count Lamsdorff, Russian Foreign Minister, setting out that the Jews were the soul of the revolutionary movement throughout Europe, that "their principal aim is the all-round triumph of anti-Christian and anti-Monarchist Jewry, and that their millionaires subvention this movement with gigantic pecuniary means." The pamphlet of Professor Nilus, according to Mr. Wolf, was used as support for this contention, and he states that the Tsar proposed to the Kaiser a secret agreement for combating Jewish and Masonic peril. The whole idea of any such peril, according to Mr. Wolf, is absolutely baseless.

It is an established fact that the Bolshevik leaders were predominantly Jewish. In a previous chapter we have seen that the Jews, though powerful, are not loved in Germany. Mr. Lucien Wolf establishes the fact that the Tsar was afraid of Jew revolutionaries and Jew millionaires. The Jewish Encyclopædia records how a Jewish millionaire financed Japan's war against Russia. a millionaire, moreover, who has been described by a prominent Jew as the leader of the Jews. Mr. Wolf records how the Tsar in 1906 sought a secret agreement with the Kaiser to combat Jewish revolutionaries and millionaires.

It would appear from the foregoing that the Imperial German Government might well be disposed to regard the loosing of Jew revolutionaries on Russia as a two-edged weapon to be used only as a last resort. Bearing in mind Mr. Batsell's statement relative to a plan formulated before the war to use Rasputin, the debauchee monk, as a means for the destruction of Russia, it becomes interesting to consider the sequence of events in that country. Rasputin, by means of successful treatment of the sickly Tsarevitch, and by means of spiritualistic seances, had gained complete ascendancy over the Tsarina and was in her full confidence, and thus in a position both to influence Russian policy and to learn in advance of contemplated governmental action. Moreover, the Tsar and Tsarina were greatly damaged in popular regard and esteem by their association with so notorious a rascal and looseliver as this drunken monk, whose motto was "Sin that ye may be forgiven."

By the influence of Rasputin M. Protopopoff was made Minister of the Interior and head of the last Tsarist Government. As we shall see later M. Protopopoff had

been in touch with one of the Warburgs at Stockholm and was alleged to be in receipt of money through them. It was considered by many patriotic Russians that the Protopopoff rule was leading Russia nowhere save to defeat, and the upshot was the Kerensky revolution with the objective of establishing a democratic pro-Ally Government in Russia.

With these facts in mind it is instructive to consider the following table of dates:

1916, December 15.—The monk Rasputin is assassinated in the palace of Prince Yussopoff.

1917, March 15.—Kerensky pro-Ally Revolution in Russia. The Tsar abdicates.

1917, April 6.—The United States declares war on Germany.

1917, April 9.—Lenin and 29 other Russian revolutionaries are embarked on a sealed train in Switzerland and taken through Germany to Stockholm and thence to Russia.

These dates show that if there was a plan to destroy Russia through Rasputin that plan failed with his assassination, and failed doubly when the pro-German Protopopoff Ministry (established by Rasputin's influence) fell, and the Tsarist regime was succeeded by a democratic pro-Ally and truly Russian Government under Kerensky.

Events thereupon moved swiftly. The United States, after years of hesitation, declared war on Germany, and three days after this disastrous addition to the already formidable ranks of her enemies, Germany took the desperate step of loosing on Russia the Jew revolutionaries in Switzerland. Thus, if it needed pressure to induce the German Government to take this step the entry of the United States into the war was surely sufficient pressure.

At this juncture it may be noted that in his book "The Jews" (Constable, 1922), Mr. Hilaire Belloc in his chapter on the Jews in the United States says:

"The last and apparently the most unpopular of the Presidents seems to have been wholly in their hands."

That President Woodrow Wilson was susceptible to Jewish influence is amply revealed in "The Letters and

Friendships of Sir Cecil Spring-Rice" (Constable, 1929), and in "The Intimate Papers of Colonel House" (1926). In a subsequent chapter we shall see more clearly the extent of Jewish power in the United States.

Reference to the financial connections of Rasputin is made in the following passage from "My Mission to Russia" (Cassell & Co., 1923), the memoirs of Sir George Buchanan, British Ambassador to Russia from 1910 to 1918 (vol. 1, p. 245):

"Rasputin was at the same time accused of being in German pay—a charge that was not strictly speaking correct. He was not in immediate communication with Berlin, and he did not receive money directly from the Germans; but **he was largely financed by certain Jewish bankers**, who were to all intents and purposes German agents. As he was in the habit of repeating to these Jewish friends of his all that he heard at Tsarskoe [the Tsar's palace], and as the Empress consulted him on both military and political questions, much useful information reached the Germans through this indirect channel. Without being their regular agent he was, moreover, rendering them yeoman service by discrediting the Imperial regime and thus paving the way for the revolution."

It is an exceedingly curious thing that a century earlier another charlatan, Cagliostro, with Jewish and Masonic associations, had played a part in the extraordinary affair of the Diamond Necklace, which discredited the French royal family and paved the way for the French Revolution. Cagliostro is said to have been financed by the Illuminati of Bavaria, a Masonic organisation with similar objectives to those embodied in the "Protocols of the Learned Elders of Zion," published by Professor Nilus, and declared by Mr. Lucien Wolf and other Jewish writers to be forgeries. The existence of the Bavarian Illuminati and their programme are, on the other hand, matters of historically established fact. All that we know about the Protocols is that the Jews declared them venomous forgeries and that the programme set out in them is being steadily fulfilled, as we shall see in a later chapter.

Returning to the course of events in Russia, we find it set out in "Russia's Ruin" (Chapman & Hall, 1919), a book by Mr. E. H. Wilcox, who had been the London

"Daily Telegraph's" correspondent in St. Petersburg. how M. Protopopoff had headed the Russian Parliamentary delegation which had visited England in the latter part of 1916. On page 137 Mr. Wilcox records that shortly after M. Protopopoff's return to Russia "it became known that on his way back he had had an interview at Stockholm with a member of the German Legation, Warburg by name." There was a stormy debate in the Duma, and it was alleged that M. Protopopoff's newspapers were being subsidised by the Germans. M. Protopopoff being at this time in office, the affair went no further. Sir George Buchanan in his memoirs tells how Protopopoff had attained office (Vol. 2, p. 33):

"On his return journey he (Protopopoff) had had an interview with a German financier named Warburg at Stockholm that had seriously compromised him. His explanations failed to satisfy the Duma, and finding that he had lost all hold on that Chamber, he determined to throw in his lot with the Court party. He made friends with Rasputin and Pitirin, and as in an audience which he had to report on the delegation's visit to London and Paris his ingratiating manners had made a favourable impression on the Emperor and Empress, he was through their influence appointed Minister of the Interior."

Sir George Buchanan relates how after the assassination of Rasputin M. Protopopoff was in the habit of carrying on spiritualistic seances in his place for the benefit of the Empress, and he also tells that Protopopoff was in the habit of having shoals of bogus telegrams sent to the Empress from fictitious persons from telegraph offices in all parts of Russia assuring her of their love and support.

In the course of an interview with the Tsar, Sir George Buchanan states in his memoirs that he remarked to His Majesty that he appeared to be badly advised in his selection of Ministers. The Tsar inquired to whom the Ambassador referred. Sir George Buchanan replied:

"M. Protopopoff, who, if your Majesty will forgive my saying so, is bringing Russia to the verge of ruin . . . The Duma can hardly place confidence in a man who has betrayed his party for office, and who has had an interview with a German agent at Stockholm,

and who is suspected of working for a reconciliation with Germany."

The Russian people revolted against Protopopoff rule, and Kerensky got into power. A democratic government representative of the Russian people and in alliance with Britain was the last thing apparently desired by the international wirepullers behind the scenes.

This brings us to the tale of how Bolshevism was imposed on Russia, just as central banking was imposed on the United States, and the restoration of the gold standard was imposed on Britain—all these phenomena apparently being manifestations of the same subterranean forces today enmeshing nations and individuals in the chains of slavery.

Reference has been made above to an individual named Helpland, also known under the name of Parvus, who succeeded the Jew Trotsky as head of the Soviet in the revolution of 1905. This man was the go-between who arranged the transport of Lenin to Russia. In the biography of Lenin by Valeriu Marcu (Victor Gollancz, London, 1928) is the following (p. 38):

"Parvus, a friend of Trotsky's as far back as 1905, had set out to prove that the Master's (Lenin's) theories could also bring good fortune to the individual in business life, and accordingly had speculated during the war, as a true internationalist, in Berlin, Copenhagen, Vienna, and Constantinople; now hoping for political laurels, he advised the Foreign Ministry in Berlin to let Lenin pass through."

"Parvus, the provocateur, a socialist with a very tarnished reputation"—is how Mrs. Ariadna Tyrkova Williams, widow of the late Harold Williams, for long one of the foremost British correspondents in Russia, describes this figure in the drama. In her book, "From Liberty to Brest-Litovsk" (Macmillan, 1919), Mrs. Williams writes (p. 105):

"Parvus (Helpland) had grown rich, as he described, by corn contracts in Turkey, or as others declared, through the generosity of the German Government. During the war Parvus settled in Copenhagen, where he opened a suspicious socialist bureau. His friend, Ganetski-Furstenburg, had been sent out of Denmark for shady smuggling transactions. . . . Through Ganetski-Furstenburg the Bolsheviks used to obtain

large sums of money from an unknown source abroad."

In 1917 an effort was made to get the socialists of the world to unite in demanding peace by means of an international socialist congress at Stockholm. Referring to this abortive effort Mrs. Williams says (p. 109):

"From whom did the initiative proceed? . . . Did not Branting, the able and honourable Swedist socialist, become the plaything of the no less clever, but dishonest, Parvus?"

There is ample evidence that money was poured out like water in Russia in putting across the Bolshevik revolution of July, 1917. Of the sources from which this money came Mrs. Williams says (p. 144):

"On 20th July, three days after the insurrection, Alexinsky, a Social Democrat of the Plekhanoff group, and the Social Revolutionary Pankratieff (an old Revolutionary) wrote to the papers saying that they had documentary proofs that the Bolsheviks had received money from Berlin, through Stockholm. Even the banks were named: the Disconto Gelleschaft, Nya Bank, the Siberian Bank. The names of the intermediaries were also given: Parvus, Ganetsky, Summonson, and Kozlovsky."

Mrs. Williams also states that documents published by the Procurator of the Kerensky Government on August 3, 1917, certified that:

"Large sums of money were transferred to Petrograd by a Russian Jew, Helfant, commonly known among international socialists by his literary pseudonym of Parvus. This obscure international speculator, who acquired an enormous fortune, styled himself as the ideal inspirer of Bolshevism. The German Socialist Democrat Haase revealed the strange connections of Parvus with the Imperial German Government. This fact did not prevent Schiedemann from keeping up friendly relations with Parvus, and from staying with him at Copenhagen in the sumptuous villa of this apostle of the proletariat. The Russian Intelligence Department possessed data proving the connection between the Bolsheviks and the Imperial German Government, but Kerensky's Government fell apart without having published its information, and without arriving at any definite conclusions on the subject."

Mr. Wilcox in his book, "Russian's Ruin" (Chapman & Hall, 1919), also refers to the activities of Parvus:

"... The chameleon-like Parvus (Dr. Helphand), who began life as a Russian, then took on Turkish citizenship, and finally during the war became naturalised in Germany where he managed to reconcile professions of advanced socialism with the accumulation of considerable wealth, and with subservience to an Imperialist regime. His name figures prominently in the documents by which it has been sought to implicate Bolshevism in the designs of the Wilhelminian Government."

On page 236 of his book Mr. Wilcox states:

"Parvus during the war ran a paper, 'Die Glocke' (The Bell), in Germany for the exposition of a curious mixture of Socialism and Imperialism. Lenin was an occasional contributor. On one of Hindenburg's birthdays this paper printed an article eulogising the Field Marshal as the embodiment of the German genius, and declaring that as his work was facilitating the conclusion of peace his name should be 'sacred to socialists.'"

As to the amount placed at the disposal of the Bolsheviks for the purpose of effecting their revolution, Mrs. Williams says on page 291 of her book:

"One is forced to draw the conclusion that the hundreds of thousands, or rather millions, spent by Lenin and his followers were furnished to them from some exchequer which had millions at its disposal. Only banks and State exchequers have the possibility of subsidising propaganda on such a scale."

The most authentic statement of the sources which furnished the means for the enslavement of the Russian people under the tyranny known as Bolshevism is that contained in the Sisson Report published by the American Committee on Public Information. A summary of this report, forwarded by its Washington correspondent, was published in the London "Times" of October 18, 1918, and from it the following excerpts are taken:

"The Committee on Public Information has issued a series of communications between the German Imperial Government and the Russian Bolshevik Government, and between the Bolsheviks themselves, and also a report thereon made to Mr. George Creel, chairman of the Committee on Public Information, by Mr. Edgar Sisson, the Committee's special representative in Russia

during the winter of 1917-18. . . . The documents are seventy in number. Many are originals annotated by Bolshevik officials. The balance of the others are photographs of originals, showing the annotations, and they corroborate a third set of typewritten circulars, but all of which fit perfectly into the whole pattern of German intrigue and German guilt.

"The first document is a photograph of a report to the Bolshevik leaders by two of their assistants, informing them that in accordance with their orders there had been removed from the archives of the Ministry of Justice an order of the German Imperial Bank 'allowing money to Comrades Lenin and Trotsky and others for the propaganda of peace in Russia,' and that at the same time 'all the books' of the bank in Stockholm had been 'audited' to conceal the payment of money to Lenin and Trotsky and their associates by order of the Imperial German Bank.

"This report is endorsed by Lenin with his initials for deposit in 'the secret department' of the Bolshevik files, and the authenticity of the report is supported by Document No. 2, which is the original of the report sent by the chief of the German General Staff to the Bolshevik leaders warning them that he had just arrested an agent who had in his possession the original order of the German Imperial Bank referred to in No. 1.

"Document No. 3 is the original protocol signed by several Bolshevik leaders and dated November 2, 1917, and showing 'on the instructions of the representative of the German General Staff in Petrograd' and 'with the consent of the Council of the People's Commissioners' two incriminating German circulars had been handed over to the Secret Service Department of the German General Staff in Petrograd.

"One circular is an order from the German General Staff dated June 9, 1914, informing 'all industrial concerns in Germany to open the sealed envelope containing their industrial mobilisation plans and registration forms' so that they might be prepared for war. (At this date the Austrian Archduke Franz Ferdinand had not yet been assassinated!)

"The second circular is an order from the German General Staff of the High Seas Fleet, dated November 28, 1914, calling for mobilisation of 'all destructive agents

and observers' in the United States and Canada for the purpose of preventing the sailing of ships from American ports to Russia, France and England. The order calls for explosions, strikes, 'delays, embroilments and difficulties.'

"Document No. 7, dated January 12, 1918, notifies the Bolshevik leaders 'by order of the German General Staff' that 'the German General Staff orders us to insist on the election of the following people to the Russian Bolshevik Central Executive Committee.' The list of persons satisfactory to the German General Staff is headed by Trotsky and Lenin. They were elected with the rest of the Committee, chosen from the same German list.

"Document No. 28 is a photograph of a letter from the executive of the German Imperial Bank to the Bolshevik Commissioner of Foreign Affairs. It is marked 'very secret,' and is dated January 18, 1918. It says: 'Information has today been received by me from Stockholm that 50,000,000 roubles (nominally £5,000,000) have been transferred to be put at the disposal of the People's Commissioners,' which is the title of the Bolshevik leaders. 'This credit,' the letter continues, 'has been supplied to the Russian Government in order to cover the cost of the upkeep of the Red Guards (the Revolutionary troops) and the agitators in the country. The Imperial Government considers it appropriate to remind the Soviet of the People's Commissioners of the necessity of increasing propaganda in the country as the antagonistic attitude of the south of Russia and Siberia to the existing (Russian) Government is troubling the German Government.'

"Four days later the same president of the German Imperial Bank sent another 5,000,000 roubles to the same address to provide for the sending of Russian revolutionary leaders to Vladivostok to get possession of 'Japanese and American war materials' at that port and, if necessary, to destroy them.

"Documents 10 and 11 contain 'a resolution of a conference of representatives of the German commercial banks received by the chairman of the Bolshevik Central Executive Committee and endorsed by his secretary.' They give a complete synopsis of the terms on which the German banks after the war were to control Russian industry."

Other extracts from these documents were published in the "Literary Digest" (New York) of September 28, 1918. The following passage from the circular to the German secret agents in the United States is interesting in view of the fact that at the time, November, 1914, Germany and the United States were at peace:

"It is necessary to hire through third parties, who stand in no relation to the official representatives of Germany, agents for arranging explosions on ships bound for enemy countries. . . . For this purpose we are especially recommending to your attention loaders' gangs among which there are many anarchists and escaped criminals."

Another document is a communication from the German Secret Service to the Bolshevists containing this passage:

"The agents sent by order from Petrograd to kill Generals Kaledin, Bogaevsky and Alexieff were cowardly and non-enterprising people."

Finally, the chairman of the Soviet Council is told in one letter:

"You can destroy the Russian capitalists as far as you please, but it would by no means be possible to permit the destruction of Russian enterprises."

In this manner, and by these disreputable agents and underhand means was this rule established in Russia. Bolshevism, though set up and proclaimed as socialism has provided Russia with nothing whatever in the way of liberty or democratic government. All the available evidence points to its being a worse tyranny than that which it superseded. Nevertheless, at the Peace Conference at Versailles in 1919 President Wilson sought to have the Bolshevik Government recognised by the Allies.

In his book, "Through Thirty Years" (Heinemann, 1924), Mr. H. Wickham Steed, editor of the London "Times" at the period of which he writes, records that President Wilson was concerned at the hostile reception to his proposal to recognise the Bolsheviks. Colonel House, the President's right-hand man, was greatly worried over the matter, and talked it over with Mr. Steed. Mr. Steed advised Colonel House to tell the President that it would be wise to let the matter drop; to persist in it would merely expose American "idealism"

as sordid commercialism. Mr. Steed adds (vol. 2, p. 302):

"I insisted that unknown to him the prime movers were Jacob Schiff, Warburg and other international financiers who wished above all to bolster the Jewish Bolsheviks to secure a field for German and Jewish exploitation of Russia."

Mr. Steed records that immediately following on this interview he wrote a leading article which appeared in the Paris edition of the London "Daily Mail" of March 28, 1919. In that article he condemned the proposed recognition of Bolshevik rule and said:

"Who are the tempters that dare whisper into the ears of the Allied and Associated Governments? . . . They are akin to, if not identical with, the men who sent Trotsky and some scores of associated desperadoes to ruin the Russian Revolution as a democratic anti-German force in the spring of 1917."

In connection with the above statement it may be noted that Trotsky reached Russia from New York, Lenin from Switzerland via Germany and Stockholm. The New York financiers named by Mr. Steed were in close association with financiers active in Germany and recorded by other writers as participating in support of the Bolsheviks.

It is a surprising thing that so far as the writer's search of its files has gone, the London "Times," though several times publishing statements on the British war debt to America, etc., by Mr. Paul Warburg—statements of an unsympathetic, not to say hostile nature—though referring to him as "the directing force behind the United States Federal Reserve Board during the war," and so on: yet seems on no occasion to have enlightened its readers as to Mr. Warburg's close connection with the leaders of German finance. Its silence on this significant fact is remarkable.

As to the attitude of certain Jewish opinion in Britain towards the Bolshevik regime in Russia, Lt.-Col. Lane in his book quotes the following from the London "Jewish Chronicle" of April 4, 1919:

"There is much in the fact of Bolshevism itself, in the fact that so many Jews are Bolsheviks, in the fact that the ideals of Bolshevism at many points are consonant with the finest ideals of Judaism."

It is true, according to Lt.-Col. Lane, that after long

delay and in face of considerable comment on the absence of any disclaimer by Jews resident in Britain of sympathy with Bolshevism, a disclaimer was finally published signed by a number of leading Jewish peers of the realm and others.

At this point it is not inappropriate to consider what befell Dr. Oscar Levy, a Jewish writer long resident in Britain who in 1920 published an unfavourable criticism of the part played by Jews in Russia. At the time these events transpired the Lloyd George Government was in office. Of that Government the "Spectator" wrote in its issue of June 20, 1920:

"We are convinced that at the present moment the professors of the Jewish faith are far too numerous in our Government. . . . We have got a great many more Jews than we deserve, and the wrong kind of Jew at that."

In its issue of October 10, 1920, the "Spectator" published among its book reviews a notice of a book written by Mr. W. G. Pitt-Rivers, "The World Significance of the Russian Revolution." In this book was a prefatory letter by Dr. Oscar Levy, and from that letter the "Spectator" quoted a long passage, the general tenor of which is indicated by the two short extracts below:

"We who have posed as the saviours of the world are nothing else but the world's seducers, its destroyers, its incendiaries, its executioners. . . ."

After declaring that the Jews were not, however, all world revolutionaries or international financiers, Dr. Levy proceeded:

"Our last revolution is not yet made. This last revolution, the revolution that will crown our revolutionary work, will be the revolution against the revolutionaries. It is bound to come, and is perhaps upon us now."

About eleven months later an order was made for the deportation of Dr. Levy from Britain under the war regulations just on the point of expiring. Dr. Levy was a well-known scholar of good repute; he had been long resident in Britain but was not naturalised, and had brought himself technically under the regulations by paying a visit abroad of more than three months' duration. A protest against his deportation was signed

by many eminent people, but the Government declared that the law must take its course. Dr. Levy left before the expiration of the order so that he was not actually deported, and the Governments of France and Italy both published announcements offering him their national hospitality should he desire to make his residence in either French or Italian territory. In his book, "The Jews," published in 1922, Mr. Hilaire Belloc said of this incident (p. 193):

"The case of Dr. Levy turned out of this country by his compatriots for having written unfavourably of the Moscow Jews will be fresh in everyone's memory."

In some quarters it was urged that Mr. Belloc should be summarily called upon to make good his amazing assertion or else to retract and apologise for it. It does not appear that any action was taken to this end.

Of the efforts of the Bolsheviks to suppress the Christian religion in Russia, and of the economic results of their rule something will be said in a later chapter. The various extracts from reputable sources of high authority grouped together in this chapter give a sufficient picture of the strong hostility of the Jews to Tsarist Russia and the powerful aid received financially by the Bolsheviks from quarters in which, as the chapter on Germany has shown, Jewish influence was predominant. Turning our gaze from this association of international finance with international revolutionaries, we shall now hark back to the course of events in the United States.

CHAPTER VIII.

THE STRANGE STORY OF THE FEDERAL
RESERVE BOARD.

The fact that Mr. Paul Warburg founded the United States Federal Reserve Board has been recorded in a previous chapter, and we have seen also how by its control of gold this board today controls the trade of the whole world. The founding of the Federal Reserve Board is a romance in itself, and if we are to understand how completely high finance rules the world it is necessary to trace at least the main outlines of the story.

As has been shown in earlier chapters, certain important steps in bygone days in getting Britain and America on to the gold standard were achieved by subterfuge and trickery, and the similarity of the trickery in two cases strongly suggests concerted international action. We have also seen how clearly the Hazard bank circular of 1862 revealed the determination of the financiers of that era in the United States to get the control of money away from the Government.

The move in the United States in 1893 to abolish silver money co-incided with the announcement that India had stopped the free coinage of silver, and this announcement precipitated a crisis which the American Banking Association, according to the circular quoted by Mr. Lindbergh in Congress, had called upon the American banks to create in that country. Was this co-incidence accidental, or was there concerted action by international financiers? On top of this we have Mr. Kitson pointing out how the happenings of 1893 led to the growth of the money power in the United States and the development of the great trusts now dominating industry in that country.

The panic of 1907, which was used as an argument for banking reform in the United States and which led to the fastening upon the American people of the German system of central banking, has been widely criticised as an artificial creation. The New York "Bankers' Magazine" for December, 1907, stated that "the bank runs in New York at first were made almost entirely by

the well-to-do, and at no time did the ordinary depositors take fright in large numbers." Commenting in Congress on this statement Mr. Gray, of Indiana, in a speech on the Federal Reserve Bill on September 12, 1913, pointed out that in New York financial circles the phrase "well-to-do" covered only millionaires and multi-millionaires, and that these were the people who made the runs.

Mr. Gray in his speech quoted another extract from the "Bankers' Magazine" showing how the currency scheme embodied in the bill had been launched by Mr. Jacob Schiff before the New York Chamber of Commerce in 1906. He added:

"The next year, 1907, when Nature responded with a most bountiful harvest, when manufactories were running full time . . . when every natural condition favoured the greatest prosperity, a panic was suddenly precipitated on the country, and the only explanation given the people was that it was a currency panic."

A large amount of similar criticism of the 1907 panic can be found in the United States Congressional Record in which the debates are printed, and one of the reports issued by the United States Monetary Commission a few years later deals severely with this panic and the way in which the concerns on which the run was made were left unsupported.

Mr. Gray in his speech next pointed out that in the following year, 1908, Congress was importuned to pass legislation to prevent a repetition of the disaster. Mr. Gray added:

"The New York bankers who had initiated this movement in the New York Chamber of Commerce through Jacob H. Schiff, January 4, 1906, had entered upon the campaign, and were conducting their operations, through the American Banking Association for the education of their country correspondents and the western bankers. To show the plan and system of education carried on among these bankers I here quote a circular letter which was issued by this association in 1893 during a similar campaign, bearing date March 11, 1893, and circulated among the influential national banks of the United States."

Mr. Gray thereupon proceeded to quote the circular printed in Chapter III of this book, ordering the banks

to create a state of monetary stringency among business men by calling up loans, etc., and to tell them that the Sherman Silver Purchase Law was the cause of it, and thus induce them to demand the repeal of this law.

In addition to providing ammunition for the campaign for central banking, the panic of 1907 yielded an immediate profit to the Money Ring. Mr. Gray says:

"A great amount of stock which had depreciated as a result of the panic in the hands of innocent bystanders and unsuspecting investors was purchased at a ruinous sacrifice and held and re-sold at par. . . . And the further opportunity was taken advantage of to secure the absorption of the Tennessee Coal and Iron Company by the Steel Trust, its only formidable competitor, thereby making the monopoly in the steel industry complete."

In 1908 the Monetary Commission was set up by Congress to collect information on the subject of currency and banking reform. It visited Europe and published a vast amount of matter. "Most of it," according to Mr. Gray, "was a revision of books and recast of documents of value mostly as history and without any special reference to present-day problems, and more calculated to bewilder and awe the mind, and impress both the common bankers and the citizens generally with the magnitude of the subject under investigation, and the impossibility of a full comprehension of the problem involved by the ordinary mind, to the end that a special few assuming superior wisdom and financial judgment might be allowed to dictate without question the reforms so urgently demanded."

The next step was to get legislation through, a great campaign for banking reform being at the same time conducted throughout the United States regardless of expense. To innocent outsiders it appeared as if merchants and business people were demanding central banking and the bankers were reluctantly yielding to the demand. For instance, Mr. Gray quoted as typical of the methods employed this circular sent out by the Chase National Bank to its western correspondents under date of February 21, 1912:

"The merchants interested in the work have felt that while they regard themselves as responsible for the raising of funds for the prosecution of the work, the country at large should know that the banking interest

is in sympathy with that work.—A. H. Wiggins, President.”

As an example of the intensive nature of the propaganda put out by the Money Ring to get the bill through Mr. Oscar Callaway, a member of Congress from Texas, gave this instance in his speech on the measure:

“Mr. Chairman, a paper in Texas called the ‘Home and State’ in its issue of August 23 said editorially: ‘Sit down and write a short letter to your representative in Congress as soon as you have read this and urge him to steadfastly support the Administration Currency Bill. There is nothing to be gained by discussing the details. It is enough for us to know that it has been endorsed by Woodrow Wilson and William Jennings Bryan.’”

The first effort at legislation, however, had taken place before Mr. Wilson became President. In 1911 Senator Aldrich brought in a bill setting up a central banking system with the banks in full control of everything. The senator was leader of the Republican Old Guard, and his bill was fiercely resisted by the Democrats as a surrender of the national interests to the iniquitous Wall Street.

To show the thoroughgoing way in which Mr. Paul Warburg had worked up support for his scheme, Mr. Gray quoted the following passage from a speech delivered by Mr. Warburg at a meeting of the National Board of Trade at Washington on January 18, 1911:

“I think you could not fail to have been impressed upon the reading of our report with the remarkable degree of unanimity with which the proposed central reserve association was approved. The delegates met, and after ten minutes they knew they were agreed on that question. We then met with delegates from the New York Produce Exchange and Merchants’ Association. It took us about half an hour to agree. Meanwhile Senator Aldrich’s plan had been brought forward, and it recommended the same plan that had been recommended by our association.”

The Aldrich bill did not get through. Says Mr. Gray on this point:

“Most fortunately for the people, a change in administration came just in time to warn the party in power and defeat a colossal conspiracy to wrest from

them the last vestige of public control over their currency."

Soon after Mr. Wilson had become President in 1912 Congress set up a Commission, known as the Pujo Commission, to enquire whether or not there was a Money Trust in the United States. This Commission reported in March, 1913, that there was a Money Trust in existence, and it named the following concerns as constituting the inner ring and directing force:

J. P. Morgan and Company.

The National City Bank of New York.

Lee, Higginson and Company of Boston and New York.

Kidder, Peabody and Company.

Kuhn, Loeb and Company.

The Commission reported that by a system of interlocking directorates, stock-holding companies and other forms of domination, the above five banking houses controlled no less than 112 banks and financial and industrial companies with resources in capital and reserves totalling the prodigious sum of £4,449,000,000. A full list was published of the concerns thus controlled. The following is a summary:

Class of Undertaking	Resources, dollars
34 banks and trust companies	2,679,000,000
10 insurance companies	2,293,000,000
32 transportation companies (railroads, express and steam- ship companies)	11,784,000,000
24 producing and trading com- panies	3,339,000,000
12 public utility companies (power, light, telegraph, etc.)	2,150,000,000
112 companies	Resources 22,245,000,000

In the course of its voluminous report the Commission described the relations of the inner ring of five as follows:

"The first group, which for convenience we will call the inner group, consists of Messrs. J. P. Morgan and Company, the recognised leaders, and Mr. George F. Baker and Mr. James Stillman, in individual capacities and in joint administration of the First National Bank,

the National Bank of Commerce, the Chase National Bank, the Guaranty Trust Company, and the Bankers' Trust Company of New York.

"The second group, closely allied to this inner and primary group, is composed of the powerful international banking house of Lee, Higginson and Company, Kidder, Peabody and Company, with three affiliated banks in Boston.

"The third group consists of the international house of Kuhn, Loeb and Company. This firm is only qualifiedly allied to the inner group, yet through its relations with the National City Bank, the National Bank of Commerce, and other financial institutions with which it has recently allied itself, it has many interests in common; conducting large financial transactions with them, and having what virtually amounts to an understanding not to compete, which is defended on the principle of banking ethics. Together they have with few exceptions pre-empted the banking business of the important railways of the country.

"The fourth group is in Chicago."

Elsewhere in its report the Commission said:

"The powerful grip of these gentlemen is on the throttle that controls the wheels of credit, and on their signal those wheels will turn or stop."

The general effect of this financial combination on American industry was outlined by the Commission on page 160 of their report as under:

"Issues of securities of local or small enterprises requiring moderate sums of money are frequently financed without the co-operation of these gentlemen; but from what we have learned of existing conditions in finance, and the vast ramifications of this group throughout the country and in foreign countries, we are satisfied that their influence is sufficiently potent to prevent the financing of any enterprise in any part of the country requiring 10,000,000 dollars or over, of which for reasons satisfactory to themselves they do not approve. Therein lies the peril of this money power to our progress, far greater than the combined danger of all existing combinations. . . .

"The acts of this inner group, as here described, have nevertheless been more destructive of competition than

anything accomplished by the trusts, for they strike at the very vitals of potential competition in every industry that is under their protection, a condition which, if permitted to continue, will render impossible all attempts to restore normal competitive conditions in the industrial world. . . .

"The gentlemen constituting this inner circle, however, violated no law in what they have done, so far as we can discover, but that is rather because . . . the law has not yet properly safeguarded the community against this form of control."

Before we go on to consider the amazing way in which President Wilson handed over control of America to these financiers by a measure which he thought would curb them, it is convenient at this stage to insert a list of the banks and the industrial concerns controlled by the Money Trust in 1913. Without such a list for reference the true inwardness of the colossal combinations formed during the past year or two in the United States and internationally cannot be grasped:

MONEY TRUST BANKS IN 1913.

New York—	Name	Resources (dollars)
	American Exchange National Bank	63,000,000
	Astor Trust Company	27,000,000
	Bank of Manhattan	70,000,000
	Central Trust Company	118,000,000
	Chase National Bank	125,000,000
	Chemical National Bank	40,000,000
	Commercial Exchange Bank	78,000,000
	Equitable Trust Company	102,000,000
	Farmers' Loan and Trust Company	135,000,000
	Fourth National Bank	51,000,000
	Hanover National Bank	126,000,000
	Liberty National Bank	29,000,000
	Mechanics and Metals National Bank	87,000,000
	National Bank of Commerce	190,000,000
	National Park Bank	123,000,000
	New York Trust Company	63,000,000
	Union Trust Company	74,000,000
	United States Mortgage and Trust Company	75,000,000
	United States Trust Company	77,000,000

Washington—

American Security Trust Company	....	15,000,000
Rigg's National Bank	....	14,000,000

Pittsburgh—

Mellon National Bank	....	55,000,000
Union Trust Company	....	69,000,000

Philadelphia—

Fourth St. National Bank	....	57,000,000
Franklin National Bank	....	39,000,000
Girard Trust Company	....	47,000,000
Philadelphia National Bank	....	54,000,000

Chicago—

Central Trust Company	....	50,000,000
Continental and Commercial National Bank	....	226,000,000
Continental and Commercial Trust and Savings Bank	....	27,000,000
First National Bank	....	137,000,000
First Trust and Savings Bank	....	64,000,000
Illinois Trust and Savings Bank	....	107,000,000
Merchants' Loan and Trust Company	....	65,000,000

In the 32 transportation companies controlled by the Money Trust were included the leading American railway systems, and among the 12 public utility corporations was the great Western Union Telegraph Company controlled by Kuhn, Loeb and Company. The producing and trading companies controlled by the Money Trust were as follows:

Amalgamated Copper.

American Agricultural Chemical Company.

American Beet Sugar Company.

American Can Company.

American Car and Foundry Company.

American Locomotive Company.

American Smelting and Refining Company.

Armour and Company.

Baldwin Locomotive Works.

Central Leather Company.

Colorado Fuel and Iron Company.

General Electric Company.

Intercontinental Rubber Company.

International Agricultural Corporation.

International Harvester Company.

International Nickel Company.

International Paper Company.
Lackawanna Steel Company.
National Biscuit Company.
Pullman Company.
United States Rubber Company.
United States Steel Corporation.
Westinghouse Electric and Manufacturing Company.

Six months after the publication of this report affirming the existence of an all-powerful Money Trust the Democratic Party brought in their bill to establish the Federal Reserve System. Unlike the Aldrich Bill, which proposed to give the bankers control of the whole monetary situation, the Glass Bill provided for a board of which the Secretary of the Treasury was chairman, with certain powers of veto. The Comptroller of the Currency was also an ex officio member, and the appointment of the other members was to be by the President. In other respects the Bill was very similar to the Aldrich Bill. The Glass Bill was advanced as a measure that would free the country from the toils of the Money Trust. This is very clearly shown by the speech of Mr. Carter Glass, chairman of the Banking and Currency Committee, on introducing the Bill in the House of Representatives on September 10, 1913. Mr. Glass referred in scathing terms to:

"Bankers who contributed thousands of dollars to fasten on this country the wretched Aldrich scheme, which would have impounded the surplus funds of the entire banking community of America in the vaults of a single central bank to be by it transferred at any time to any point that might appeal to the sweet will or whim of the governing board of that institution."

Mr. Glass was also strongly of opinion that his bill would give more stable financial conditions. He said:

"Remembering that financial panics in the United States are decennial, and that we are fast approaching the time limit from 1907 to 1917, it seems to me that the obligation to legislate is immediate."

Senator Owen, who piloted the bill through the Senate made a similar statement on November 24, 1913, as follows:

"The chief purposes of the banking and currency bill are to give stability to the commerce and industry of the

United States; prevent financial panics or financial stringencies. . . ."

The bill was rushed through the House of Representatives in eight days without any public hearings on it. It was passed by the House by 287 votes to 85. The Senate took a little longer to digest the measure and evidence on it was taken by a committee. The bill, nevertheless, was passed with little alteration.

One highly significant alteration was, however, quietly made in the bill during its passage through the House, an alteration which escaped comment at the time. As passed the act says the discount rate "shall be made with a view to accommodating commerce and business." As introduced there was a further instruction that the rate should be made so as "to promote stability in the price level." This had vanished before the bill reached the Senate, and totally unsuccessful efforts have since been made to amend the act by incorporating in it an instruction to this end.

A great number of people honestly thought that this measure would free the United States from the domination of the Money Trust. Among them was the late Mr. William Jennings Bryan, a life-long defender of the people's interest against the financiers, and who fought a Presidential campaign in 1896 as the champion of silver money, declaring in a famous phrase that the workers and farmers of the United States were being "crucified on a cross of gold." Mr. Bryan had been made Secretary of State in President Wilson's Cabinet in 1912, and it is said that it was largely by his activity in whipping up support for it in Congress that the Federal Reserve Bill was put through.

Although the bill was carried by a big majority a certain number of members denounced it as a sham. Mr. Oscar Callaway, a Texas Democrat, for instance, made the following protest in the House:

"Mr. Chairman, in our platform adopted at Baltimore, and with which we won such a signal victory at the polls last November, we said: 'We oppose the establishment of a central bank.' I thought we meant that. . . . True we did not say: 'We oppose the establishment of a central board,' but I submit in all candour that there is no real difference so far as the concentration of power is concerned between a central bank which controls the

entire banking interests of the country, and a central board which controls the entire banking interests of the country. . . .

"This bill provides for a board of seven appointed directly by the President, subject, of course, like his Cabinet, to the President's will, which board has discretionary power over the twelve regional banks The board has exclusive power of note issue to the reserve banks; the power to fix the discount rate; with the accompanying power to increase or decrease the circulating medium of the country at will. . . .

"Summarise these powers, and you will find that power centred in this board, which Chairman Glass said 'could determine the welfare, happiness and prosperity of every man, woman and child in the United States,' and which Majority Leader Underwood declared 'resolved itself into faith in the President's board, the whole question being whether the board was angel or devil

"The big banking interests have never at any time opposed this bill in its entirety. They have asked for changes in it here and there, but the general policy of the bill has suited them."

The following striking denunciation of the bill was made during the debate by Mr. Horace Mann Towner, a Republican member from Iowa:

"I did not approve of the Aldrich plan. I would not support it now. But it is astonishing how enamoured of it the majority is. Protesting that it is dangerous, yet they adopt and strengthen its autocratic features. Declaring it unworthy of consideration, the committee copies large portions of the bill, even to the extent of embodying the language verbatim of the Aldrich Bill. If the Aldrich Bill could have been patented this bill would be an infringement. If it could have been copyrighted, this would have been an invasion. Very artfully the issue is made to appear as one between Wall Street and the Government; as between selfish speculators on the one hand, and the Government acting for the people on the other."

Another notable speech against the bill was that of Mr. Finley H. Gray, an Indiana member, and from it portions have already been quoted. Not to weary the reader, it is sufficient to conclude with this extract from

the speech of Mr. Charles A. Lindbergh of Minnesota:

"It is not my purpose to show that this bill is more vicious than the system which it seeks to amend. I propose to show that it would perpetuate the system which actual experience proves to have been the cause of centralising wealth, so that a few have robbed the people generally. It is perpetuating a system the very purpose of which is to enable the money loaners, rent collectors, dividend beneficiaries, and speculators generally, to **take advantage of the actual producers so as to control production and fix prices.**"

Before the Senate Committee Mr. George H. Shibley, director of the American Bureau of Political Research at Washington, gave a valuable historical summary of the devious steps taken to foist the gold standard on the world. In concluding he said, "This closes my outline of the way the American people and the people of the entire world were tricked into the demonetising of silver. I have stated it for several reasons: first, because a somewhat similar trick is being attempted here in this Senate Committee."

It is unnecessary to quote the speeches of the supporters of the bill, for these gentlemen merely took it at its face value, and expatiated on such of its fancied advantages as appealed specially to them.

Thirteen years later the publication of "The Intimate Papers of Colonel House" (1926) showed that the bill had been framed by the very men officially denounced a few short months previously as controlling the Money Trust! These men were the people to whom Colonel House as adviser-in-chief to President Woodrow Wilson ran for advice as to how to frame a measure to curb the Money Trust. The whole incredible story is told with disarming candour in these "Intimate Papers." All the time the good Colonel, it appears, was firmly of opinion that the Money Ring should be brought to book. Under date of July 26, 1911, he wrote as follows to Senator Culberson:

"I think Woodrow Wilson's remark that the Money Trust is the most pernicious of all trusts is eminently correct. A few individuals and their satellites control the leading banks and trust companies of America. They also control the leading corporations."

Colonel House's papers were edited by Dr. Charles

Seymour, Professor of History at Yale University, and his editor relates the very active part taken by the Colonel in framing the bill which Mr. Glass subsequently introduced, and which as we have seen in an earlier chapter Mr. Paul Warburg last year claimed, with excellent reason, as his own creation. On page 164 of "The Intimate Papers" we find their editor remarking:

"The task which Colonel House set himself was primarily to prevent the President-Elect from committing himself to any one scheme until the problem had been thoroughly studied; later he guarded the measure so that it was left in the control of experts and preserved from the heresies of political incompetents. The Colonel was the unseen guardian angel of the bill. . . . Colonel House was indefatigable in providing the President with the knowledge that he sought. . . . He laid chief stress on his frequent conferences with the bankers themselves."

The following extracts from the papers themselves show pretty clearly where the Colonel got his ideas from:

"December 19, 1912.—I talked with Paul Warburg over the telephone regarding currency reform."

"February 26, 1913.—I went to the Harding dinner [a bankers' gathering]. . . . It was an interesting occasion. I first talked to Mr. Frick, then with Denman, and afterwards with Otto Kahn [partner with Paul Warburg in Kuhn, Loeb and Company of the inner ring of the Money Trust]."

"March 13, 1913.—Vanderlip [National City Bank chairman, allied with Kuhn-Loeb] and I had an interesting discussion regarding currency reform."

"March 27, 1913.—J. P. Morgan, Junior, and Mr. Denny of his firm, came promptly at five. McAdoo [Secretary of the Treasury and formerly partner with Paul Warburg] came about ten minutes afterwards. Morgan had a currency plan already formulated and printed. We discussed it at some length. I suggested that he should have it typewritten and sent to us today."

To this is attached the following editorial footnote: "Typewritten in order to avoid the impression that might be given that Morgan's were so sure of their financial power that they could impose a cut and dried plan."

"March 24, 1913.—I had an engagement with Carter Glass at five. We drove in order not to be interrupted

. . . . I urged him not to allow . . . the Senate Committee to change what we had agreed upon in any of the essential features. He promised to be firm. I advised using honey so long as it was effective, but when it was not, I would bring the President and the Secretary of the Treasury to his rescue. I spoke to the President after dinner and advised that McAdoo and I whip the Glass measure into final shape, which he could endorse and take to Owen [Senator Owen]."

Here Colonel Houses's editor adds:

"The Currency Bill [establishing the Federal Reserve System] was brought into the House of Representatives early the next session, unchanged from the first drafts decided on by the President, McAdoo, and the chairmen of the House and Senate Committees."

One of the concerns in the inner ring of the Money Trust was Lee, Higginson and Company of Boston and New York. At the end of August Colonel House visited Boston and was rather coldly received on discussing the banking scheme with some ordinary bankers. His editor remarks that he found "more consolation and satisfaction in a long talk with Major Henry L. Higginson," of which talk the Colonel wrote:

"I can well understand why he is called by many Boston's first citizen. We talked on the currency question. . . . Every banker like Warburg who knows the subject thoroughly has been called upon in the making of the bill. Major Higginson seemed thoroughly satisfied with the endeavours the Administration have made to construct a good and beneficent measure."

It appeared that Mr. Warburg had a few final touches which he desired to insert to perfect the measure, and on November 17, when the bill was before the Senate, Colonel House relates that Mr. Warburg, Mr. Schiff, and Mr. Dodge came to see him by appointment. Mr. Dodge arrived in advance of the others, and took advantage of this circumstance to explain that he had only come along at the urgent request of Warburg and Schiff, who had just handed him a munificent donation to the funds of the Y.M.C.A., of which he was president. The papers proceed:

"Mr. Schiff and Mr. Warburg came. Warburg did most of the talking. He has a new suggestion in regard

to the grouping of the regional reserve banks, so as to get the units welded together and in easier touch with the Federal Reserve Board. They wanted me to go to Washington with Mr. Warburg and Mr. Dodge. . . . I advised against going to the President with new suggestions. I thought they should be taken to Secretary McAdoo, Senator Owen and Mr. Glass; if they agreed as to the advisability of accepting them the President would probably also accept them."

The editor tells how success was finally achieved:

"Pressure from both sides and above finally compelled the acquiescence of the opposing senators, and on December 20, 'a gala day,' House called it, the Federal Reserve Bill passed the Senate."

On December 23, 1913, Mr. Jacob Schiff wrote a Christmas letter to Colonel House, congratulating him on the passage of the bill. In his letter Mr. Schiff said:

"The bill is a good one in many respects, anyhow good enough to start with and to let experience teach us in what direction it needs perfection, which in due time we shall then get."

The foregoing extracts show clearly enough that President Woodrow Wilson and his naive friend and adviser, Colonel House, were mere putty in the hands of these astute financiers. Thinking they were freeing America from an octopus, they merely fastened its tentacles more firmly than ever on the people of the United States, and created an organisation which has enabled the Jewish section of the Money Trust to dominate not only America but the commerce and industry of the entire globe.

Before we proceed to trace the course of events through the great international war which within a few months followed on the perfecting of this engine of financial control, it is worth noting that in 1928 the Federal Reserve Law was amended to permit of interlocking directorates among the banks, thus permitting a further centralising of control. In his book published last year Mr. Warburg urged that the Secretary of the Treasury should be removed from the chairmanship of the Federal Reserve Board, and the Comptroller of the Currency removed from the Board and made a subservient officer to it, the banker members taking general charge and electing their own chairman. As

Mr. Warburg seems seldom to ask in vain for what he wants these steps in "perfecting" the Federal Reserve System may possibly have been effected before this reaches the reader's hands.

It has been noted above how an instruction to the Federal Reserve Board to use its powers to stabilise prices was deleted from the bill during its passage through the House of Representatives. Several efforts have since been made by Mr. James G. Strong, a Kansas member of the House of Representatives, to place such an instruction in law. In 1926-27 and 1928-29 there were hearings by the House Committee on Banking and Currency on bills to this end introduced by Mr. Strong.

In his earlier bill Mr. Strong proposed that in addition to the instruction to make the discount rate "with a view to accommodating commerce and business," there should be added the words "and promoting a stable price level for commodities in general. All the powers of the Federal Reserve System shall be used for promoting stability in the price level."

This was very similar to what was in the bill to start with but had been surreptitiously removed. It was merely in keeping with Senator Owen's statements in fathering the bill in the Senate. However, every possible objection was raised to this simple instruction. It would lead the public to expect impossibilities, etc., etc. In order to meet these objections Mr. Strong went to all concerned for their views as how the necessary instruction should be drafted. The result he embodied in a new bill in the following language:

"The Federal Reserve system shall use the powers and authority now or hereafter possessed by it to maintain a stable gold standard; to promote the stability of commerce, industry, agriculture and employment; and a more stable purchasing power of the dollar so far as such purposes may be accomplished by monetary and credit policy."

A remarkable feature of the hearings on the second bill was the epidemic of invalidism which afflicted the members of the Federal Reserve Board when the time to give evidence approached. These gentlemen, who had objected freely enough to the crude language of the first bill were now in a number of cases afflicted with shingles, rheumatism and what not, and regrettably

unable to come and testify again. Such members and officers of the board as did testify were all emphatically of the opinion that anything on the lines sought by Mr. Strong was impracticable.

In the course of their evidence the Federal Reserve witnesses nevertheless put in numerous charts and graphs from the board's records showing movements in the price level, etc. Naturally questions were asked why the board compiled these elaborate charts if its operations had no connection with prices at all. Was not the truth of the matter that members and officers of the board watched very closely the effect of their proceedings on the price level? For example, take this passage between Mr. Strong, author of the amending bill, and Mr. Goldenweiser, Director of Research and Statistics to the Federal Reserve Board:

"Mr. Strong: Is not the real purpose of these charts to enable them to use the powers of the Federal Reserve System towards stabilisation?

"Mr. Goldenweiser: If I had to answer that in one word I would say no.

"Mr. Strong: Then they are not using the information they have for the purpose?

"Mr. Goldenweiser: Only incidentally.

"Mr. Strong: Incidental to what?

"Mr. Goldenweiser: Incidental to those things that are more directly the work of the Federal Reserve System.

"Mr. Strong: That is, to accommodate business and industry?

"Mr. Goldenweiser: To maintain sound banking conditions."

Most of the witnesses took a great deal of cornering to extract anything definite from them on this vital point, and endeavoured to shy away from it under a cloud of words. However, Mr. Strong succeeded in getting a clear-cut statement from the chief executive officer of the board. This passage occurs in the examination of Mr. Roy A. Young, Governor of the Federal Reserve Board, on May 28, 1928:

"Mr. Strong: Do you not think that the first duty of any financial system is to attempt to stabilise the purchasing power of its unit of value?

"Mr. Young: It never has been.

"Mr. Strong: Should it not be?

"Mr. Young: No, sir; I am not going to say that.

"Mr. Strong: Have you, meaning the Federal Reserve Board, not been doing this very thing?

"Mr. Young: No."

That is a precise and definite enough statement that the directors of the United States Federal Reserve System—which the American people were told was designed specially to give stable business conditions and prevent financial crises and stringencies—consider themselves under no obligation whatsoever to use their gigantic powers for any such purpose. The basic theory of any monetary system is that an undertaking to pay a given sum of money at a future date is an undertaking to give the same value that that money represents today. Here we have the chief controlling officer of money in the United States calmly declaring that what the dollar represents in wealth is no concern of his. Nothing further is needed to reveal what a colossal fraud was perpetrated when this gang of international financiers led the people of America into this Federal Reserve System.

The position was well put by Mr. Carroll L. Beedy, a member of the Committee, during the examination in May 1928 of Professor Gustav Cassel the noted Swedish monetary expert.

"Mr. Beedy: You will recall the statement of Mr. Ebersole, of the Treasury Department, who concluded his remarks at the dinner which we attended last night by saying that he was convinced that the Federal Reserve System did not want stabilisation and the American business man did not want it, and I think that is right. They want these fluctuations in prices, not only in securities, but in commodities, in trade generally, because those who are now in control of the situation are making a profit out of that very situation. There is nothing to be gained by them by stabilising, but practically all is lost. The gain from stabilisation comes in the welfare of the countless thousands who are not in the capitalist class. . . . And it is probably true that if it does not come in a legitimate way, let us say through central banking systems, it may come, or there may be an attempt to produce it, by general upheavals, such as have

characterised society in days gone by. The revolutions have been prompted, in other words, by dissatisfaction with existing conditions, the control being in the hands of a few, and the many paying the bills.

"Dr. Cassel: Yes, I think that goes very well with what I have said about the purpose of the Federal Reserve System."

At the conclusion of the hearings on May 29, 1928, Mr. Strong summed up the position in the following words:

"Both bills have been attacked by financiers, bankers, and financial writers, some for selfish reasons, others because, having become versed in existing conditions they hesitate, or refuse, to consider and study the real purpose of the proposed legislation, which was also true when the Federal Reserve system was proposed and sought to be enacted by Congress; but I am being forced to the conclusion that the main opposition is because of the fact that certain bankers and financiers, together with those they control, desire the Federal Reserve System to use its powers 'to accommodate business and commerce,' and not 'for the stabilisation of the purchasing power of our monetary unit,' which I hold with Dr. Cassel, Dr. J. R. Commons and others who have come before this Committee, to be the first duty of a financial system set up by any government authority.

"When the Federal Reserve Act creating the Federal Reserve System was framed as the Administration Bill it contained the directions that the powers so given should be to 'accommodate business and commerce' and to aim 'to promote stability in the price level,' but the House struck out the clause for stabilisation and the Senate did not restore it.

"But little information has ever been given why this was done, but it was evidently the work of those who did not wish the Federal Reserve system to be used for the stabilisation of the purchasing power of money."

Now let us see what began to happen when the United States was enslaved under this German-Jew engine of control.

CHAPTER IX.

BRITAIN IS DRAWN INTO THE TOILS.

Six months after the Federal Reserve Board was established in the United States the German Government, according to a document published in the Sisson Report quoted in an earlier chapter, was telling its controllers of industry to open their war mobilisation orders. As the assassination of the Austrian Archduke at Serajevo had not at this time taken place it shows clearly that the early outbreak of war had been determined on irrespective of, or in advance of, the Serajevo tragedy that nominally precipitated it. Whether the assassination of the heir to the throne of Austria was part of a pre-determined programme is a matter on which one can only speculate. Post-war revelations have shown that it was more than the irresponsible act of an individual, and that the Serbian Government had been warned in advance that an attempt would be made.

On the financial side all we know is that the war followed close on the establishment of the Federal Reserve Board, by which event New York financiers with intimate German associations acquired a dominating position.

In an article by Captain V. H. Cazalet, M.F., published in the "National Review" for December, 1926, a description was given of a visit to the Ford works at Detroit at the end of October, 1926, and in the article appeared the following:

"Like other remarkable men Ford has one bugbear, i.e., international Jewish financiers. We asked him who they were. He said: 'I have several books which will tell you who they all are. They were responsible for the last war, and will in the future always be capable of creating a war when they feel their pockets need one.'"

In the following year, Mr. Ford issued a retraction of the attacks on the Jews made in his newspaper, with the contents of which journal, he explained, the multitude of his activities prevented him from keeping close touch. This remark could not apply to a personal statement made to Captain Cazalet.

As chief of the German General Staff during the war, General Ludendorff was in a position to acquire first-hand knowledge as to the origins of the war. An interview with him appears in a book, "Glimpses of the Great" (Duckworth, 1930), written by an American, G. V. Viereck. In it the General is quoted as saying:

"The same diabolically clever wire-pullers that brought about the last cataclysm anxiously wait for additional conflicts to further their ends. They are busy once more enslaving nations and bringing them under the yoke of economic dependence."

General Ludendorff told Mr. Viereck not to imagine that his countrymen in the United States were going to escape. The news of late certainly shows that although the centre of money power is in the United States that power is far from operating to the advantage of the common people of that country.

Several references to the operations of the Federal Reserve Board and some of those associated with it, in so far as they affect Britain, occur in the memoirs of the late Sir Cecil Spring-Rice, British Ambassador at Washington from 1913 to the end of 1917, when the Lloyd George Government replaced him by the appointment of Lord Reading (formerly Sir Rufus Isaacs). It will be remembered that at the outset of the war a number of large German liners were interned in New York, and that an attempt was made to have their sailings resumed under the American flag. Of this episode Sir Cecil Spring-Rice wrote to Sir Edward Grey, Secretary of State for Foreign Affairs, as follows, under date of August 25, 1914:

"Another matter is the question of the transfer of the flag to the Hamburg-America ships. It is not a very pleasant business. The company is practically a German Government affair. The ships are used for government purposes, the Emperor himself is a large shareholder, and so is the great banking house of Kuhn and Loeb, of New York. A member of that house has been appointed to a very responsible post in New York, although only just naturalised. He is connected in business with the Secretary of the Treasury, who is the President's son-in-law. It is he who is negotiating on behalf of the Hamburg-America Company."

To this the editor of the memoirs appended the following note:

"Mr. Warburg was a member of the newly elected Federal Reserve Board. He had been a partner of Mr. McAdoo, the Secretary of the Treasury."

In a letter to Sir Valentine Chirol on November 13, 1914, Sir Cecil Spring-Rice wrote:

"Dernburg [of the German Embassy] and his crew are continually at work, and the German-Jewish bankers are toiling in a solid phalanx to compass our destruction. One by one they are getting hold of the principal New York papers, and I was told today that the 'New York Times,' which had a courageous Jew at its head who manfully stood up for the Allies, has been practically acquired by Kuhn, Loeb and Company and Schiff, the arch-Jew and a special protege of the Emperor. Warburg, nearly related to Kuhn, Loeb and Schiff, and a brother of the well-known Warburg, of Hamburg, the associate of Ballin [the late Herr Ballin was head of the Hamburg-America line], is a member of the Federal Reserve Board, or rather THE member. He practically controls the financial policy of the Administration, and Paish and Blackett had to negotiate with him. Of course it was exactly like negotiating with Germany. Everything that was said was German property. The result was that such arrangements were made as were thought to be for the advantage of the German banks, and the Christian banks were jealous and irritated."

Sir George Paish and Sir Basil Blackett were two early financial representatives of Britain in the United States during the war. Until America entered into the war Britain put her American transactions through the firm of J. P. Morgan and Company. Mr. J. Pierpont Morgan, Senior, had died in March, 1913, and the business was carried on by Mr. J. P. Morgan, Junior. The Sisson Report already quoted in the chapter on Russia, contains a reproduction of a German order of November, 1914, to secret agents in the United States ordering criminal activity in violation of the rules of neutrality. At a later date the activities of the German military and naval attaches on the German Embassy staff, Colonel von Papen and Captain Boy-Ed, became so open and notorious that the American Government ordered their deportation in consequence of their complicity in various outrages. While Sir Cecil Spring-Rice was staying with Mr. Morgan on July 5, 1915, an attempt was made to assassinate that gentleman. A man entered his

house and fired at him, wounding him in the stomach. The assassin was arrested, and gave the name of Holt, but proved to be a German named Erich Muentner. Sir Cecil Spring-Rice notes that Muentner "was known to many Germans here to have committed murder and was entirely at their mercy. From private enquiries I know that he received money from outside sources and had confederates." Muentner was imprisoned, but was later found shot dead in prison and was officially reported to have committed suicide. How a prisoner came to have a gun in his possession was not explained. Sir Cecil Spring-Rice wrote:

"It is most likely that he was shot by order, as he had promised my informant a full confession the day after he died. It was known in German circles that an attempt was to be made on Morgan."

The circumstances surrounding this affair point to powerful influences being at work against the principal American financier assisting Britain in the war.

Returning to the financial side of affairs we find Sir Cecil Spring-Rice writing in another letter:

"Since Morgan's death [Mr. Morgan senior is referred to] the Jewish bankers are supreme, and they have captured the Treasury Department by the simple expedient of financing the bills of the Secretary of the Treasury (in a perfectly fair and honourable manner), and forcing upon him the appointment of the German Warburg on the Federal Reserve Board, which he dominates. The Government itself is rather uneasy, and the President quoted to me the text, 'He that keepeth Israel shall neither slumber nor sleep.' One by one the Jews are capturing the principal newspapers and are bringing them over as much as they dare to the German side."

As time went on increasing difficulty was experienced by the British agents in getting money in the United States. In July, 1917, one finds the British Ambassador recording that Mr. McAdoo, Secretary of the Treasury, had informed him that to get money from Congress Britain must give particulars of what she was spending it on. Mr. McAdoo further suggested that it was desirable that someone in authority should be sent over to arrange for the loans required.

Lord Northcliffe, who was in the United States at

this date as a British Government representative, also urged that someone who understood politics as well as finance should be sent over to handle the loan negotiations. He summed up the position in a telegram as follows:

"They are complete masters of the situation as regards ourselves, Canada, France, Italy and Russia. . . . If loan stops, war stops."

As a result of these representations Lord Reading (formerly Sir Rufus Isaacs) was sent across to arrange matters. Whether his appointment was suggested on the American side or the British is not disclosed in the matter to which the writer has had access.

The financial position as it stood at the time of America's entry into the war in 1917 is thus summarised in "The Life and Letters of Walter H. Page" (Vol. II, pp. 272-3). Mr. Page was at the time United States Ambassador in London:

"Thus by April 6, 1917, Great Britain had overdrawn her account with J. P. Morgan to the extent of 400,000,000 dollars, and had no cash available to meet this overdraft. . . . The money was now coming due; and if the obligations were not met, the credit of Great Britain in this country would reach the vanishing point. Though at first there was a slight misunderstanding about this matter, the American Government finally paid this overdraft out of the proceeds of the first Liberty Loan. This act saved the credit of the Allied countries; it was, of course, only the beginning of the financial support that America brought to the Allied aid."

Lord Reading entered into arrangements by which the British borrowings were specifically made repayable in gold, and by which they were to bear interest at not less than the highest rate on any United States war loan. They were mostly repayable on demand, or at most three days' notice, and were convertible at the option of the United States into long-dated stock.

On these terms, accepted on Britain's behalf by Lord Reading, the British Government borrowed the 1,000 millions which it owed the United States at the conclusion of the war. Once matters were put on this amazing footing those in charge of America's finances could not lend Britain too much money. The amount at her disposal was unlimited.

As we have seen, the total stock of monetary gold in the world is only 2,000 millions. Britain under her bond to the United States might be called upon to produce half of this total stock in three days on penalty of being officially declared bankrupt. The agreement meant that the British people were absolutely at the mercy of the United States. Lord Reading, their official representative, had signed on their behalf a contract to perform impossibilities.

In face of this it is pathetic to find this passage in a letter written by Sir Cecil Spring-Rice on November 23, 1917:

"Several bankers told me that Reading's mission was most useful, and that he was exceedingly adroit. His reputation for cleverness was very high indeed, so high that there was a good deal of anxiety expressed lest he should succeed in putting one over Mr. McAdoo."

In January, 1918, Lord Reading was appointed British Ambassador to the United States in place of Sir Cecil Spring-Rice, who died in Canada a few months later. Later on Lord Reading was appointed Viceroy of India, that country so filled with unrest, and where Jewish activity has been pronounced. In his book Mr. Hilaire Belloc says:

"Today it is Britain which stands to the Mohamedan as the thruster-in of the Jew. It began with the support of Jewish finance in Egypt; it went on with the extended control over Indian commerce by the Jews; it continued in the control of Indian currency by the Jews. It ended in the grotesque appointment to the Indian Viceroyalty and the extraordinary experiment of Palestine."

More recently Lord Reading has become, as we shall see, a director of the American-financier-owned company which has got a strangle-hold on British industry by buying up the power plants of London and practically all the principal cities in the British Isles.

To return to our main theme, we next find that after Britain had incurred this enormous indebtedness to America, pressure soon came from the American end for a return by Britain to the gold standard. Even before the war ended the Cunliffe Committee was set up by the British Government to report on the matter. This committee was composed almost entirely of bankers, the

producers and manufacturers with whose destiny they were playing being given no voice whatever in the matter.

The course of events following the piling up of war debts was incisively described by Mr. Arthur Kitson in the "National Review" for March, 1925:

"Having created these national gold debts, the conspirators were still fearful lest their hoards of gold might turn to dross if Europe should stick to its paper money and refuse to employ their metal for its internal currencies. This fear was particularly intense as far as England was concerned. The Treasury notes had performed all the functions of money perfectly—far better than gold. There had been no legal tender inflation. Whatever inflation there had been was due entirely to the vast issues of credit by the Treasury and the bankers themselves. These notes formed the basis of what might have become a perfect elastic currency, admirably adapted to the commercial and industrial needs of the British public, who had grown accustomed to them and liked them. Where gold had failed the Treasury notes succeeded. Mr. McKenna, the chairman of the Midland Bank, has recently testified to the superiority of our 'managed' paper currency over the American gold-standard currency. Moreover, these notes admitted of expansion without disturbing international affairs and without the aid of international financiers. Hence their destruction became a necessity. The appointment of a Committee consisting of the representatives of high finance was therefore urged upon our Government. The Cunliffe Currency Committee with its carefully assorted members was the result. These bankers recommended the return to the pre-War gold standard—'according to plan.' One cannot suppress a feeling of indignation and contempt for a body of men who, whilst millions of Britain's sons from all parts of the Empire were freely giving away their lives to save us and civilisation from the domination of German Kultur, were engaged in a scheme for adding to their own and their shareholders' enrichment at the expense of British taxpayers!

"The next step was the Brussels Conference, at which the representatives of the leading bankers of all the Allied and neutral countries were instructed to recommend a similar policy to that already demanded by the

Cunliffe Committee. Having thus secured consent of the Allied and neutral countries, there still remained Germany, Austria and Russia. The Austrian currency was 'stabilised' by Wall Street and Lombard Street influence. Then came the Dawes Scheme, which brought Germany into line. The Russian position is still receiving attention, but it is certain that eventually Bolshevism will have to accommodate itself to the policy its leaders have so often denounced.

"Although the French, Belgian and Italian financiers have given their formal endorsement of the gold standard, their rulers have so far been much too wise and too patriotic to consent to the ruin of their trade and the stagnation of their industries merely for the enrichment of international bondholders and moneylenders. Hence the pressure which the American Government is now [1925] putting upon these countries for the payment of their debts—particularly France. The offer of gold loans is merely to inveigle them into the same financial web in which our bankers and Treasury officials have already involved us.

"The delay on the part of our officials to adopt the gold currency created a feeling of impatience in Pine and Wall Streets, and led to the recent artificial manipulation of both the pound and the dollar.

"What is termed 'parity,' viz., the pre-War ratio of the two money units, has been practically achieved outside of any trade operations. Indeed, surprise has been expressed by one or two of our ardent gold standard advocates that the pound sterling should rise in relation to the dollar when the balance of trade is so heavily against us. Since the whole movement is merely 'a ramp' to deceive the British public, no economic reasons need be sought. (Kitson's note: It should be remembered that the rates of exchange between foreign countries are manipulated and fixed by the bankers themselves.)

"The recent visit of the Governor and a Director of the Bank of England to New York was merely another move in the game, although our instructed journalists have tried to impress the public with the vast importance of this visit and the advantages it has accomplished.

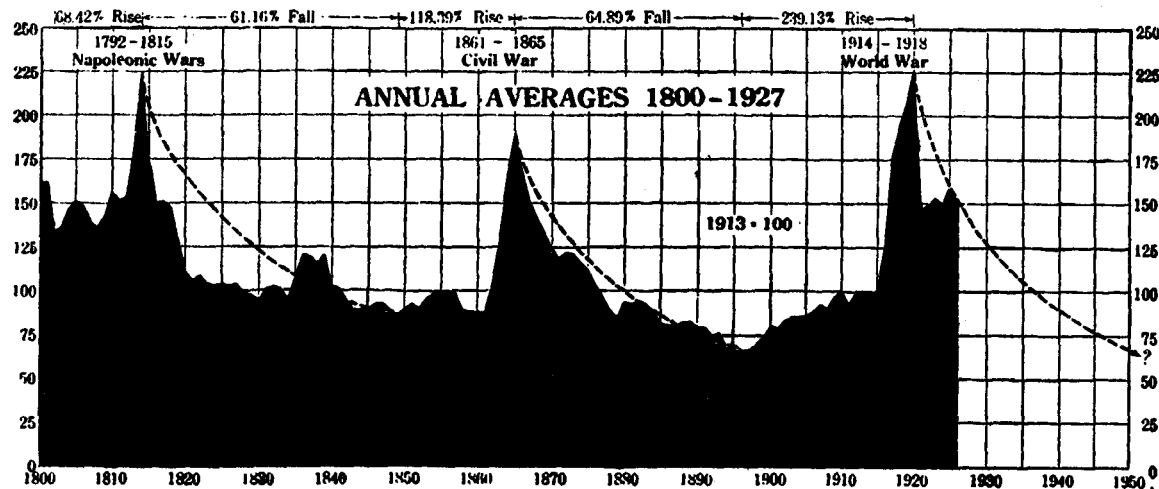
"The gold currency system which the mere shadow of the Great War exposed and destroyed, is to be re-imposed without so serious a scheme being even

submitted to the voters. [It was restored in the month following the publication of Mr. Kitson's article.] With the re-establishment of this system, the German-American plot may be regarded as having succeeded. Indeed, so far as England is concerned, the German-American financiers must have marvelled at the ease of their conquest. No sheep ever went more readily to the slaughter than the British people have been led to their present hopeless conditions of debt-enslavement, which, as some of our politicians have reminded us, will lower the standard of living for generations to come. The full effects of this financial policy are not yet realised. Millions of our people have already tasted and are experiencing some of them, viz., unemployment, bad trade, and starvation. But the evil days are yet to come"

On the following page is a reproduction of a chart showing the general level of commodity prices in the United States from 1800 to 1927.

A significant feature of the rise in prices in connection with the war is that the greatest inflation occurred not during the war, as had been the case in previous wars, but after it. At this date the American Federal Reserve Board was in possession of its huge gold accumulation and its policy was the determining factor in the price level. According to evidence given by Professor J. R. Commons, of the University of Wisconsin, before the United States House of Representatives Banking and Currency Committee in 1927, this post-war inflation was deliberately created. Professor Commons said:

"What I wish to say to you was learned by me in confidence from a member of the Federal Reserve Board. I, of course, will not give his name. He and another member of the Federal Reserve Board in 1919 and 1920 understood what the Federal Reserve System was doing; they were inflating prices and were going to bring about a terrific rise in prices. They knew it. . . . They protested in a meeting of the Federal Reserve Board against what was being done by the Federal Reserve Board at that time. . . . They considered for a time whether it would not be better for them to offer their resignations and then give their reasons to the public for resigning. They finally agreed to go along with the



The above chart, showing the general level of commodity prices in the United States from 1800 to 1927, originally appeared in an article by Mr. Norman Lombard contributed to the "American Labour Legislation Review." It bore the caption "Will History Repeat Itself?" The movement of the price level in Britain shows a general similarity except that the mid-century upward lift was not so pronounced. Mr. Lombard urged that by central bank policy money might be stabilised in purchasing power and unemployment reduced. In this way the downward trend indicated might be prevented with all that it would mean in misery and distress. Whether central banking is the cure is open to doubt!

system, the majority, and simply to file their reasons in the record of the board so that in case the question was raised after their death their record would be clear."

In the London "Times" of November 6, 1919, we find a message from its New York correspondent stating that Mr. Paul Warburg, "the directing force of the Federal Reserve Board throughout the greater part of the war," had returned from a tour of England, Holland, France, Switzerland and Germany. Mr. Warburg was quoted as saying:

"There are two fundamental evils which must be eradicated if world bankruptcy and communism are to be avoided. These are the continuous increase in prices and decrease in production . . . the persistent depreciation of capital."

As we all know the post-war boom was followed by a speedy collapse. In New Zealand this brought disaster to the soldier settlers placed on the land on the basis of boom prices. Here again we have evidence that this collapse was made to order of the United States Federal Reserve Board.

In giving evidence before the House Banking and Currency Committee in 1926 at Washington, Mr. Western Starr, a retired farmer and head of the Farmer-Labour Party, said:

"In 1919 and 1920 things got—well, a little jumpy, and here are the minutes of a conference of the Federal Reserve Board, of the Federal Advisory Council and the directors of the Class A banks of this country held in Washington, D.C., on May 18, 1920, in which over the protests of some of their own members, secretly and under orders of secrecy, they decided to deflate. There were reasons. Some of the great employers of labour felt that they were paying too large a share of their income in the form of wages. They had to reduce wages first thing.

"Now, in order to reduce wages they had to cut the cost of living. They could not reduce wages until they cut the cost of living. That meant they had to hit the farmer first. That was the first step, and God knows they hit him."

Mr. Starr then proceeded to quote at length from the minutes of this conference. One of the directors of the

advisory board of the Minneapolis Bank, he said, told the conference that :

"Our bank is making 10,000 dollars a day, net velvet, and we cannot offer these people this rule, we cannot knock them in this way and bring ruin, starvation and death to people who are dependent on us."

Mr. Scott, of the Federal Reserve Bank of Dallas, Texas, according to another extract quoted, declared the proposal "monstrous," and a strong protest was also made by Mr. Dowell of North Dakota.

Continuing, Mr. Starr said :

"These are Federal Reserve bank officials who make this statement, overridden by the statements, philosophy, and arguments of W. P. G. Harding [at that time chief executive officer of the Federal Reserve Board].

"Mr. Leatherwood: Do you think that decision of that famous meeting held in Washington in which they decided to issue this order, had anything to do with the gathering in, soon thereafter, of the millions and hundreds of millions of securities of the little holders?

"Mr. Starr: My dear sir, it is only another illustration of the practice that has prevailed for more than 2,000 years. It has been the practice of what you might describe as the moneyed class for more than 2,000 years to create alternate periods of high and low prices, buying when things are low and creating artificially stimulated high prices on which they sell out, only to create another period of deflation on which they buy in. That has been the practice. We have had sixteen different periods of that kind in our own history as a nation of less than 150 years."

Further evidence of the action of the Federal Reserve Board in depressing prices in 1920 was provided by Mr. Swing, a Californian Congressman, in a speech made in the House of Representatives on May 23, 1922. In that speech, quoted by Mr. Canfield, another witness on the Banking and Currency Committee hearings on the Strong Bill, Mr. Swing said :

"I was present at a meeting of the bankers of Southern California, held in my district in the middle of November, 1920, when W. A. Day, then Deputy Governor of the Federal Reserve Bank of San Francisco, spoke for the Federal Reserve Bank and delivered the

message which he said he had been sent there to deliver. He told the bankers there assembled that they were not to loan any farmers any money for the purpose of enabling the farmer to hold any of his crop beyond harvest time. If they did, he said, the Federal Reserve Bank would refuse to discount a single piece of paper taken in such a transaction. He declared that all the farmers should sell their crops at the harvest time unless they had money of their own to finance them, as the Federal Reserve Bank would do nothing toward helping the farmers to hold back any part of their crop no matter what the condition of the market.

"Mr. Cooper, of Wisconsin: Did the gentleman from California hear that?

"Mr. Swing: I did. I think I was the only person present who was not a banker. This was in a way confidential advice being given by the Federal Reserve Bank for the benefit of the small bankers.

"I say that was the admitted declared policy of the Federal Reserve Board made by an officer of the Board delegated for the purpose of making an announcement for the information and guidance of the bankers of my district. No one could be in any doubt for one minute as to what the natural, logical, and necessary consequences of such a policy would be. If the entire crop of the country is thrown on the market at the time of the harvest, of course the market would be depressed. The Federal Reserve Board deliberately set out to bear the market. Now, if they could do that at that time, have they not done that with other commodities, and cannot the same system be used to stabilise money and to stabilise wholesale prices?"

The foregoing statements show clearly that both the post-war boom and slump in the United States were in accordance with Federal Reserve policy, and in earlier chapters we have seen how it has befallen that American monetary policy dominates the world price level. Moreover, the action taken in 1919 and 1920 is merely in accord with the steps taken in 1893 and 1907 to create an artificial monetary stringency.

At this date the Lloyd George Government was in office in Britain, a Government in which Jewish financial influence was very strong indeed. In the early part of the year 1920 Mr. Austen Chamberlain announced in the

House of Commons that the Government "had set its heart on deflating the currency," and forthwith embarked upon the policy of currency deflation that ushered in long-continued trade depression and unemployment from which Britain has since suffered.

In the same year the shareholders of the Bank of England elected Mr. Montagu Norman as Governor of the bank. Mr. Norman was a member of the American banking house of Brown, Shipley and Company. In his book, "This Age of Plenty" (Isaac Pitman, 1929), Mr. C. Marshall Hattersley quotes a passage from the "Wall Street Journal" of March 11, 1927, stating that Mr. Norman is very intimate with Dr. Schacht, head of the Reichsbank, the central bank of Germany, and stating that he was unknown in financial London when first elected Governor of the bank in 1920.

Mr. Hattersley points out that among the twenty-four directors of this private bank, which today controls British currency, are a number with strong international connections. Among them is Mr. Edward Charles Grenfell, a partner in Morgan, Grenfell and Company, the London house of J. P. Morgan and Company of New York, and formerly the dominant firm in the United States Money Trust. This firm is in close alliance with Morgan, Harjes and Company of Paris, the French branch of J. P. Morgan and Company. Another director is Mr. Kenneth Goschen, of the international firm of Goschen, Cunliffe and Company. Still another is Mr. F. C. Tiarks, of the international firm of J. Henry Schroeder and Company which found the money for Germany under the Dawes scheme.

Mr. Hattersley also notes that the Bank of England notes which have replaced the war-time Treasury notes as the money of England are distinctly foreign in appearance and with no King's head on them, the Royal effigy having thus been banished from the currency of the realm, except on the copper and silver small change.

Since his appointment Mr. Montagu Norman has spent a great part of his time running backwards and forwards between London and New York. His activities since 1920, however well-intentioned, have been accompanied by no improvement in the state of British trade and industry.

A recent director, and now officer of the Bank,

is Sir Otto Ernst Niemeyer, formerly Controller of Finance in the British Treasury. Last year Sir Otto Ernst Niemeyer and Professor Theodor Emanuel Gugenheim Gregory visited Australia and New Zealand as emissaries of the Bank of England. Australia may have been extravagant, but her present financial difficulties would not have been serious but for her debt incurred in fighting Germany. In face of this fact it is surely a very extraordinary thing that the Bank of England should send out two agents, both from their names obviously of Teutonic descent. The character of these gentlemen may be beyond reproach, but in view of the German-Jew domination in New York, in view of the way British finance is under the thumb of New York, what feeling can a layman experience but one of disgust at finding a foreign flavour in Bank of England action on this side of the world? As may be seen by reference to the appendix to this book, questions have been publicly raised—and apparently never answered—as to the Germanic connections of Sir Otto Niemeyer.

As Sir Otto Ernst Niemeyer appears to be generally considered by our bankers, politicians and newspaper editors—barring a few notable exceptions—to be a superhuman embodiment of the purest undiluted financial wisdom it is worth while seeing what he has done for Britain.

After the elections of 1922 Sir Otto Ernst Niemeyer accompanied Mr. Bonar Law to the German Reparations Conference at Paris when Mr. Bonar Law produced a plan to give Germany a four years' moratorium, letting her off all reparations payments during that period. The French refused to agree, and the proceedings ended in disorder. Following on this conference the depreciation of the mark began—generally believed to have been an engineered swindle, and Germany defaulted on her payments.

Sir Otto Niemeyer accompanied the Chancellor of the Exchequer to the United States when the American debt was funded and Britain undertook to pay America annuity for 62 years, rising from £33,000,000 a year to a considerably higher figure (see Appendix, p. ix).

Sir Otto Niemeyer was one of the financial experts on the Exchange Committee set up at the Imperial Economic Conference in 1923 which declared that the

Australian and New Zealand exchange, then standing at 30/- per cent., would automatically right itself to the pre-War figure of about 17/6 per cent. as soon as the gold standard was resumed. We know how incorrect that has proved.

Sir Otto Niemeyer was a member of the Treasury Committee set up in 1924 and which reported in February, 1925, recommending the immediate return to the gold standard. "Any temporary disadvantages," declared this committee in its report, "will be many times outweighed." We also know how incorrect that has proved.

So far as the writer can discover pretty well every financial step of importance taken by Britain in recent years which has tended to make money dearer, to increase the deadweight of the National Debt, and generally to depress trade, increase unemployment, and break the backs of the British producers and manufacturers, has been distinguished by the support of Sir Otto Ernst Niemeyer.

What it cost to bring Sir Otto Ernst Niemeyer and Professor Theodor Emanuel Gugenheim Gregory to New Zealand has not been disclosed. Perhaps the good people in Christchurch who pressed for the invitation will tell us what we have gained by the visit of these two distinguished Englishmen—if that description is considered correct.

On April 28, 1925, Mr. Winston Churchill, then Chancellor of the Exchequer, added to the debt Britain already owed him as a war strategist, by announcing that the gold standard had been resumed as from that day.

Mr. Churchill was soon after entertained as the guest of honour by the British Bankers' Association. It was fitting that the president of this association should bear the name of Sir Felix Schuster. "Who's Who" does not state where Sir Felix Schuster was born, but he was educated at Frankfort-on-the-Main, and his elder brother was born in that home town of British financial policy. In complimenting Mr. Churchill in his action in restoring the gold standard Sir Felix Schuster said: "There might be temporary drawbacks, but they would not count in the long run. The benefit of stability and security would outweigh them all. A great obstacle to world trade had been removed."

From the moneylenders' point of view there was no doubt about the benefits to be derived by having Britain's trade once more tied inflexibly to the hoard of gold controlled by the international moneylending interest. Mr. Hattersley in his book, "This Age of Plenty," quotes an extract from the "Bankers' Magazine" recording how a shipment of 11 millions of gold from London to New York was followed by a decline in Stock Exchange securities to the extent of 150 millions. The owners of that gold doubtless knew quite well what would follow on their shipment of it and were simple people indeed if they did not profit by it.

When the Jew-ridden Lloyd George Government, under German-Jew pressure from New York, embarked on its policy of monetary deflation we find Mr. Reginald McKenna in his annual address as chairman of the Midland Bank telling the British public very clearly what it meant:

"Let us look at the policy of monetary deflation Let us suppose that it were practicable by this process to bring prices permanently down to the pre-War level. What sort of a charge would our National Debt mean to us? It stands today at £7,770,000,000, mostly borrowed when money was worth very much less than before the war. With prices back to their former level the burden of the debt would be more than doubled, in other words, the creditor would receive a huge premium at the expense of the debtor."

Such a result, Mr. McKenna declared, would be "repugnant to every principle of equity and economic propriety."

That was the opinion of a British financier not born at Frankfort-on-the-Main as to what the policies of our Schusters, Schroeders, Niemeyers, Goschens, Gugenheim-Gregorys, and the rest were going to mean. That Mr. McKenna was not mistaken one has only to refer to the file of the London "Statist" for July last. In an article published during that month the "Statist" pointed out what the price decline had meant up to then in the dead-weight of the debt Britain owed America. That debt was funded in 1923 at £945,205,000. Since then £35,755,000 had been paid off, leaving £909,452,000 outstanding. The "Statist" price index number in 1923 was 133, in July last it was 98. Thus the outstanding

American debt, adjusted to the value of money in 1923, would be £1,234,256,000, or £289,051,000 more than the original amount. The burden today is considerably heavier than it was in July last, and the controllers of gold can juggle the burden of the world's debts about to any extent they please—excepting that if they go too glaringly far the public at large may at last realise where the root of their trouble lies.

him to buy, and then deflation delivered him into the hands of the moneylender. The Federal Reserve Bank can be a blessing or a curse according to its management. If the Wall Street speculators are in control of it they can drain the agricultural districts and keep up a fictitious prosperity among the members of the plunderbund.

"While the Federal Reserve Bank Law is the greatest economic reform achieved in the last half century, if not in our national history, it would be better to repeal it, and go back to the old conditions, and take our chance with individual financiers, than to turn the Federal Reserve bank over to Wall Street and allow its tremendous power to be used for carrying out the plans of the Money Trust."

Similar disillusionment was expressed by Mr. Western Starr, head of the Farmer-Labour Party, in his evidence before the House Banking and Currency Committee in 1926:

"In the first place, with respect to the Federal Reserve Act, we were told this was something that would save us from the economic domination that we are confronted with all the time; that it would prevent panics and lock-outs, and stabilise currency and give us a flexible currency that would meet all the demands of commerce; that it was the one thing the world had been looking for, and we must have it; and they even got William Jennings Bryan, who had been fighting the principle involved in the Federal Reserve Bank Bill all his life, to go personally and dragoon members of Congress and the Senate in his party; and if it had not been done it could not have been passed; and he said before he died it was the one thing he had done in his public life that he regretted having done."

Mr. Starr next proceeded to review the events leading to the formation of the Federal Reserve Board. "The members of the Farmer-Labour Party," he said, "knew of the panic of 1907, and know what made it." Then the Pujo Committee was set up to discover whether there was a money trust in existence in the United States and found that there was such a trust and named the men that composed it. After that they had the move for setting up the Federal Reserve Board. Said Mr. Starr

"Paul Warburg was the man who originated the

CHAPTER X.

THE STRANGLE-HOLD INCREASES.

That Mr. Paul Warburg, like his famous co-religionist in the play, was determined to have his pound of flesh so far as Britain was concerned was well shown by the following statement issued by him as a counterblast to the Balfour Note on the American debt and published in the London "Times" of August 2, 1922:

"He still clung to the hope that France would recede from what he called her present suicidal attitude 'of wanting the milk, the cow, and her meat at the same time,' and believed that when that happened America would co-operate sympathetically with Europe, forbearing her claims for war debts from those of her Allies who could not pay without disastrous consequences. England's debt, however, he put in a class by itself, suggesting that an understanding for its funding and ultimate repayment was an essential preface to American co-operation in Europe."

That was a clear-cut statement by the man who dominated the United States Federal Reserve Board, which dominated the world, that Britain was to be singled out for exceptional treatment. What the war had failed to do the peace was to accomplish.

About this date one of the most prominent supporters of the Federal Reserve Act at the time of its passage had come to an understanding of its true inwardness. This was Mr. William Jennings Bryan, who had exerted all his influence to line up the Democratic Party members in Congress in support of the measure. According to Mr. Western Starr, Mr. Bryan said before he died that this was the one action in his political career that he regretted. In an article he contributed to "Hearst's International Magazine" for November, 1923, Mr. Bryan said:

"The Federal Reserve Bank, that should have been the farmer's greatest protection, has become his greatest foe. The deflation of the farmer was a crime deliberately committed, not out of enmity to the farmer, but out of indifference to him. Inflation of prices had encouraged

succeeded in 1929 by the Young Plan, the author of which, Mr. Owen D. Young, is executive head of the General Electric Company, which concern was also listed by the Pujo Commission as in the Money Trust.

It is well known that the present disastrous slump in commodity prices was preceded by what the newspapers described as "an orgy of speculation" on the New York Stock Exchange. This orgy ended when the Federal Reserve Board in 1928 put up its discount rate to 6 per cent. and ushered in the slump period. Discussing that action of the Federal Reserve Board, Professor Cassel wrote as follows in the London "Financial Times" last year:

"Practically absolute power over the welfare of the world has been placed in the hands of the Federal Reserve Board. And one is appalled to see the apparently haphazard manner in which the Board uses this power, how ignorant it is of the aim which ought to dictate American monetary policy."

Professor Cassel went on to point out that since the end of the war the United States had been the ultimate arbiter of whether trade was to be good or bad, whether the price level was to rise or fall, whether men and women were to be fully occupied or thrown into the sea of unemployment. In 1928 the board made a cardinal error. Instead of guiding its policy to maintain stability in trade and employment it bumped up money rates to "combat the New York speculative mania."

If Federal Reserve policy created the present slump, there is equal reason to believe that it created the monetary conditions leading to the orgy of speculation in America. What happened during that orgy? At the annual Bankers' Convention held in the United States in October, 1928, it was pointed out that:

"For the first time in the history of the country the whole nation is trading in stocks and bonds. . . . The whole country has been thrown into a speculative frenzy. . . . More and more funds are being drawn daily into speculation to the disadvantage of other and more important lines entitled to credit."

As to how this speculation originated the following passage from an article in the New Zealand "Mercantile Gazette" of November 28, 1928, summarising American conditions provides sufficient indication:

date until July 12, 1924, and also how before the withdrawal of those forces a further loan was imposed on the people of San Domingo.

In his article in the "National Review" for March, 1925, Mr. Kitson stated that the Federal Reserve System was "the recognised source of the money supplies which the Warburg group are employing on behalf of Germany and Russia." Mr. Kitson added:

"Early in 1921 Warburg started what is known as the International Acceptance Bank at 31 Pine Street, New York, the object of which is to accept German bills and get them discounted at the various American Federal Banks. The German Schacht Bank was established in Berlin in March, 1924, by special act of the Reichstag and is at present the recognised central bank of Germany under the Dawes Scheme—which scheme was also the product of the fertile brains of the Warburg brothers. The directors are 99 per cent. Jewish nationals as opposed to German nationals. Just here it may be noted that in addressing the Volkische youth meeting in Munich last July General Ludendorff said: 'The Dawes Plan was made and inspired by Jews for putting Germany under Jewish control. This plan means future slavery for the German people and also the complete crushing of the Germanic spirit.'

"Mr. Paul Warburg has made himself the main, if not the sole, agent between the new German Central Bank and the American banks. He announced through Reuter's agency last April that his company, the International Acceptance Bank in America, had established an American Banking Syndicate for the purpose of granting unrestricted credit facilities to the new German gold bank."

As noted in an extract quoted in another chapter, Congress in 1923 passed legislation enacting that the Federal Reserve banks might discount foreign acceptances, and advantage was taken of this immediately on the adoption of the Dawes plan.

"Who's Who in America" records that General Dawes, now American Ambassador to Britain, has been president and chairman of the Central Trust Company of Illinois since 1902. This concern is one of those listed in the Pujo Report as in the Money Trust. The Dawes Plan for the payment of German reparations was

A proviso of the agreement constituting this financial ring for the control of China lays it down that if any one of the parties is not in a position to take up its share of a loan, etc., to China the others may take up the amount in lieu. As the American group has far more money available for foreign financing than the concerns representing Britain, France and Japan, the upshot is that China has become virtually a preserve of the German-Jew group that dominates American finance.

As is noted in "Dollar Diplomacy" the amount of respect exhibited by these financiers for the sovereign independence of China is shown by the fact that the agreement was only communicated to the Chinese Government after it was signed.

Following on this arrangement a further step was needed to ensure complete domination by this New York financial ring in China. Joint action by Britain and Japan must be rendered impossible, or at least improbable. Thirteen months after the consortium agreement had been signed the Washington Arms Conference was called. In reviewing the results of that conference Senator Lodge, of the Republican Party and one of the representatives of big business, declared:

"The chief and most important point in the treaty is the termination of the Anglo-Japanese Alliance. That was the main object of the treaty. . . . The Anglo-Japanese Alliance was the most dangerous element in our relations with the Far East and with the Pacific."

Many of us were simple-minded enough to think that the Washington Arms Conference was a disinterested effort to reduce the burden of armaments and to secure the future peace of the world. It was for this ostensible purpose that it was called, just as the Federal Reserve Board was created for the ostensible purpose of stabilising money and preventing panics, and just as a lot of people are telling us that if we want better times we must form central banks in every country.

In "Dollar Diplomacy" is told the instructive story of how the firm of Kuhn, Loeb and Company made a loan of 20,000,000 dollars to the West Indian Negro Republic of San Domingo in 1907, and how this led to the installation of a United States Government Receiver-General to collect the interest in 1916 and the occupation of San Domingo by American naval forces from that

"This declaration of intentions was the first avowal of the policy which under the Taft Administration won the title of 'Dollar Diplomacy.'"

In 1911 Messrs. J. P. Morgan and Company, Messrs. Kuhn, Loeb and Company, the First National Bank, and the National City Bank of New York got in on the international Hukuang loan. The participation of this group in the loan was not achieved until President Taft had sent a personal message to Prince Chun, the Chinese Prince Regent, referring to "the high importance I attach to the successful result of the present negotiations."

After the war the old "spheres of influence" by which the European diplomats had divided China up into sections for their respective concession hunters were abolished by international agreement. In place of this old arrangement there was established an international financial consortium which, it was agreed, should henceforth attend to all foreign financing thereafter undertaken in China. That is to say, the entire foreign financial exploitation of the Chinese now proceeds through this consortium, the Governments of the four Powers in it guaranteeing their support. The agreement constituting the consortium was signed on October 15, 1920. The signatories included:

Britain—The Hong Kong and Shanghai Banking Corporation.

France—Banque de l'Indo Chine.

Japan—Yokohama Specie Bank.

United States—J. P. Morgan and Company; Kuhn, Loeb and Company; National City Bank of New York; Chase National Bank; Guaranty Trust Company of New York; Lee, Higginson and Company; Continental Trust and Savings Bank.

The names of most of these American participators will be found set out in the list of corporations included in the Money Trust. It will be remembered that the Pujo Commission reported that the Money Trust was dominated at the date of its report (March, 1913) by Mr. J. P. Morgan. Mr. Morgan died at the end of that month, and we have the statement of the British Ambassador at Washington that "since Morgan's death the Jewish bankers are supreme"—that means Messrs. Kuhn, Loeb and their allied concerns.

concerns whose names may be found in the Money Trust list in an earlier chapter.

Mr. E. H. Harriman, the American railway magnate, whom President Roosevelt fought in his anti-trust campaign, was long active in concession-hunting in China. Mr. Harriman was in close association with Kuhn, Loeb and Company, and seems really to have been a sort of department manager for them.

In the biographical sketch of the late Mr. Schiff, of Kuhn, Loeb and Company, reprinted from the Jewish Encyclopædia, we have seen how that firm financed Japan in her war against Russia. Peace after that war was signed at Portsmouth in the United States. In "Dollar Diplomacy" we are told:

"Immediately after the signing of the Portsmouth Treaty Harriman concluded a memorandum for an agreement with the Marquis Ito and the Marquis Katsura of Japan for joint American and Japanese ownership of the South Manchurian railway."

This scheme was, however, opposed by powerful Japanese statesmen and never got through. In 1908 negotiations by Harriman, Schiff and Kahn for a Manchurian bank fell through owing to the death of the Empress Dowager and the fall of the party in power in China. This American group was busy in various directions securing concessions in China. On the election of President Taft, a very distinct friend of big business, support was promptly given for these financiers in their schemes for the exploitation of the Chinese. In his inaugural address on March 4, 1909, President Taft said in reference to China:

" . . . The United States can maintain her interests intact and secure respect for her just demands. She will not be able to do so, however, if it is understood that she never intends to back up her assertion of right, and her defence of her interests, by anything but verbal protest and diplomatic note."

The President in this way plainly intimated to the Chinese Government that unless they submitted to the schemes of these financiers the armed forces of the United States Government might possibly be employed to reinforce the arguments of Messrs. Schiff, Kahn, Harriman and Company. Messrs. Nearing and Freeman relate in their book:

scheme and brought it here from Hamburg for the purpose of putting it over the American people."

"Mr. Canfield: The bill they wanted was a different bill from what passed.

"Mr. Starr: Paul Warburg said it differed only in one particular, and that could be corrected by 'administrative processes.'"

"Now, the Federal Reserve Act was passed, and they put one of the men that had been denounced . . . in charge of it. Paul Warburg, a member of the firm of Kuhn, Loeb and Company, was put on the board to run it. That is what the farmers of this country saw, and now think about your Federal Reserve Board. They may be away off; they may be very much mistaken. These men may be as patriotic as the Angel Gabriel and all right, but the farmers of this country do not think so, and the labour men of this country who do not stand in to get a slice do not think so."

Mr. Starr expressed in downright fashion his view of what the Federal Reserve System meant internationally:

"The nations for whom we have made sacrifices despise us and hate us and abhor us; you cannot go to a music hall or read a comic magazine published in any one of those countries in which they do not hold us up as a Shylock and a robber. It is because our foreign policy is dictated, not by the people of this country, but by the bankers and by the credit monopolists of this country, and if we are ever going to get away from that feeling of detestation and hatred which they feel against us, and which, if it is allowed, will grow into a war, compared with which the last war will be a Fourth of July picnic, we have got to take our domestic affairs and foreign affairs out of the hands of these old men of the sea."

During the past few years the activities abroad of the American money ring have been on a colossal scale. All financing of China, of example, is now controlled by the same little German Jew coterie that controls the United States Federal Reserve Board. The octopus has had its tentacles on China for many years. In their book, "Dollar Diplomacy" (R. W. Huebsch, New York, 1925), Messrs. Scott Nearing and Joseph Freeman give much information as to the close alliance between American governmental action abroad and the activities of various

"It is claimed that the hands of the Federal Reserve are tied so that the policy put into operation a year ago to make money easier and help to bring about gold exports cannot be reversed. At that time the Board lowered the rediscount rate even against a protest of the Reserve Bank of Chicago, and was also a heavy buyer of Government securities. This policy of making money easier was the starting point of the wild speculation."

This gigantic orgy of speculation was thus started and stopped by the Federal Reserve Board. If the whole nation was feverishly handing away its savings for stocks and bonds somebody naturally must have been selling those stocks and bonds. What was the nature of the transactions, and for what purposes was the money being absorbed?

The answer to this question is very fully provided in a recent book, "America Conquers Britain: A Record of Economic War" (A. A. Knopf, London and New York, 1930). In this book, which is little more than a thinly-disguised paean of triumph over the creation of huge American-controlled (or in reality German-Jew controlled) international combines to the detriment of Britain, Mr. Ludwell Denny tells the whole story. His book is worth the closest study of all who desire to see civilisation freed from its present domination.

Mr. Denny has embodied an enormous mass of information in his book and his authorities are fully quoted throughout. However, the reader who makes use of the voluminous index in it to trace the activities of the Warburg group and the concerns linked with it, should note that no indication whatever is given of the importance of this group; that only occasional reference is made to the doings of concerns allied with it; and, furthermore, that unobtrusive as is such reference in the text it is still more so in the index, for it is noticeable that although Kuhn, Loeb and Company are mentioned in the text no entry appears in the index, and the same is true of the important International Acceptance Bank. The frequent reference to the "Harriman interests" is merely to the Warburg interests under another and less suggestive name, and the Pujo Commission report shows that the activities of the National City Bank of New York, of which Mr. Denny's book is full, have been closely associated with the Warburg group.

In the United States during the boom period the financiers were busy effecting great company mergers. Mr. Denny records more than 1,000 public utility company mergers in the United States since 1926. In the period 1927-29 there were fifty bank mergers in New York alone "creating ever larger concentration of capital for domestic and foreign use," and our author mentioned that the National City Bank has 98 branches in 26 foreign countries. From 1925 to 1928 American loans to foreign countries averaged 1,100 million dollars annually. Seventeen American corporations operating in foreign countries floated bond and stock issues in 1928 totalling 147 million dollars.

As to what the financiers were doing with the American public's money once they had got hold of it, Mr. Denny supplies innumerable instances, of which the following may be taken as illustrating the designs of those who beat up the "orgy of speculation" and next decreed the slump.

In 1929 General Motors bought a controlling interest in Opel Motors of Germany.

By March, 1929, American General Electric had bought 60 per cent. of the stock of British General Electric.

Early in 1929 the leading electrical manufacturing concerns in Britain: British Thompson Houston, Metropolitan Vickers, Edison Swan and Ferguson Pailin were fused into the Associated Electrical Industries in which the principal shareholder was American General Electric.

In 1928 the Electric Bond and Share Subsidiary of the American General Electric more than doubled its investments, from 108 to 285 million dollars. Through this and other concerns General Electric is stated to control 52 per cent. of the United States power production. Abroad the Bond and Share concern controls the public utilities of 11 foreign countries and has large holdings in six other countries.

In Italy American General Electric is said to have large holdings in Italian Super-Power "which is making that country independent of British coal" (and thus incidentally increasing British unemployment). It helped to organise the French manufacturing combine, the Societe Generale Construction Electriques et Mecaniques.

It has huge contracts for equipment and technical assistance in Russia. In 1929 it increased its holding in the German electrical manufacturing trust, the A.E.G., to one-third, and made an agreement with it for co-operation in every country in Europe.

The American General Electric further interlocks with the Radio Corporation of America, in its turn a huge trust, with world-wide domination over wireless, the greatest means of mass communication in the world. Further, the British Marconi Company is now tied up with the Radio Corporation.

In April, 1929, American General Electric and the International Telephone and Telegraph Company were consolidated. According to Mr. Denny, the I.T.T. was founded by Sosthenes Behn in 1920 with a capital of six million dollars. By 1928 its gross earnings were 81 million dollars. We are told that it "has done more in nine years to break the British world communications monopoly than all other companies and governments combined in the century of electrical communication."

American banks and the American General Electric in 1928 took substantial part in the organisation of the Trust Financiere de Transport et d'Enterprises Industrielles, an international combine got together by Mr. Dannie Heinemann, an American living in Belgium, in association with the mysterious Alfred Lowenstein who disappeared from an airplane in the English Channel soon afterwards. In this are stated to be the following participators:—American: Guaranty Bankers' Trust; Dillon, Read; Kuhn, Loeb; Lee, Higginson; International Acceptance Bank. British: Barings; Rothchilds; Midland. German: The four big "D" banks. And Belgian, Swiss, Dutch and French houses. The Trust Financiere is set up to control and operate public utility companies all over the world.

In 1929 the American Power and Light Corporation bought up the entire common stock of the Greater London Counties Trust, controlling the seven chief power companies of Britain, supplying power on a monopoly basis to 95 cities in England and Scotland. It also controls the Edmundson Electrical Corporation owning twelve electric supply companies in Britain. A British Government inquiry was made into this American ownership of the motive power of British industry, but lamely reported that the ownership was unimportant.

The late Lord Birkenhead obliged the American owners by becoming the ornamental British chairman of the concern.

An American engineering firm has obtained the contract for the Lake Tsana dam in Abyssinia, controlling the Nile waters on which Britain depends for her "plan to escape from the American cotton monopoly."

Based on American loans and investments, there is now some form of United States fiscal, political, or military control in 14 of the 20 Latin-American republics. In Argentina Britain, according to Mr. Denny, had made more head in foreign trade since the war than in any other country. This was largely due to the pro-British Irigoyen Government. Since Mr. Denny wrote his book this government has been ousted in a revolution consequent on the economic depression originating in New York.

An American commission is outlining the economic reorganisation of China, which Mr. Denny tells us wants 600 million dollars of railway and other loans from the United States.

We are further told: "American bankers have underwritten with State Department approval such dictators as Machado in Cuba, Leguia in Peru, Pilsudski in Poland, Horthy in Hungary, Mussolini in Italy, and Borno in Haiti. Only when dictators have failed to reach satisfactory agreements with American capital, as in the case of Rumania, the State Department has not been friendly to such loans."

Mr. Denny states that although America had refused Britain similar terms, Mussolini was given a cancellation of a large part of Italy's debt to America, and New York loans to the extent of 450 million dollars have been made to Italy guaranteed by the best of her industries.

Under the heading "Grabbing Raw Materials," Mr. Denny tells of the amalgamation in 1928 of the British Mond Nickel Company and the International Nickel Company of New Jersey, with control in America according to the "New York Times." The Mond Company is, as is well known, a Jewish concern.

In copper America, it is stated, controls 46 per cent. of the world's total, and in 1928 it was reported that the Anaconda-Harriman interests had acquired Silesian mines with another 10 per cent. of the world's production,

while at the end of that year it was reported that American producers had joined the European cartel controlling 96 per cent. of the world's production.

Although Britain has smelting control of 70 per cent. or so of the world's tin output, yet in June, 1929, the British-American Tin Corporation was organised and was said to represent more than 80 per cent. of the British controlled tin production.

Long detailed accounts are given of recent American and British rivalries for rubber and oil, and incidentally it is made apparent that America will probably take over control of the Republic of Liberia on account of its rubber. According to Mr. Denny the Arcos raid on the Soviet officials in London in 1927 was merely an incident in the oil fight and was designed to benefit Shell Oil as against Standard Oil. The international danger point in oil will be reached, Mr. Denny predicts, when American car-owners face higher prices as American supplies are exhausted, and are told that the rise in price is due to British grabbing. On both sides, however, the oil financial activity would appear to have strong Jewish associations.

In industrial chemicals, controlling supplies essential to nearly all industries, are three great combines. In Britain the Mond Imperial Chemical Industries, formed in 1926; in Germany the great I.G. Chemical trust that grew out of the aniline dye combine built up on a British invention; and the American I.G. Corporation organised in 1929 and being an alliance with the German combine. The directors of the latter include Mr. Edsel Ford, president of the Ford Motor Company; Mr. Walter Teagle, president of the Standard Oil Company; Mr. Charles Mitchell, chairman of the National City Bank of New York; and Mr. Paul Warburg, chairman of the International Acceptance Bank.

The Mond Imperial Chemical Industries on its side has strong American Money Trust connections, as is shown by noting the names of its associated companies. Beginning with a capital of £65,000,000, later increased to £95,000,000, the I.C.I. included among its directors the late Lord Birkenhead and Lord Reading. According to Mr. Denny, I.C.I. has acquired substantial minority holdings in the American Allied Chemical and Dye, General Motors and E. I. du Pont Nemours, the American powder manufacturing company, which is the

controlling stockholder in General Motors. These concerns are stated to have close associations with J. P. Morgan and Company and the United States Steel Corporation.

In 1928 the I.C.I. and the Chase National Bank of New York formed the Finance Corporation of Great Britain and America, each holding equal shares. On the committee of this concern are stated to be representatives of General Motors, American International Corporation, American Car and Foundry, American Locomotive, International Paper, American Railway Express, Metropolitan Life Insurance, and Bethlehem Steel. The above list should be compared with the list of concerns controlled by the American Money Trust in 1913. The British directors included the late Lord Melchett (Sir Alfred Mond) and Lord Reading (Sir Rufus Isaacs).

German I.G. is stated to own a large block of shares in the German Ford Company. According to Mr. Denny there is world-wide competition between the Mond-New York Group and the Warburg-German group, such competition extending into chemical, fertiliser, automobile, rubber, aviation, and other industries. He further says the Mond group is trying to revive world-war hatreds to prejudice the American public against the German-American group.

In the light of the Pujo Report's revelations as to the association of the companies in both groups in the Money Ring under the Federal Reserve System, it is difficult to believe in the idea of fierce competition between these groups.

In 1928 when the National City Bank organised United Aircraft and Transport, Standard Oil, Ford, and their allegedly deadly enemy, General Motors, were all represented on the board. Other huge air combines, we are told, were formed during the boom, and there has been American penetration of British Imperial Airways by the purchase of stock in the Handley-Page Company, which has part interest in this British Government controlled concern. The National City Bank has also been active in forming in 1929 the International Zeppelin Transport Corporation for a transatlantic service.

After reminding us that in the winter of 1928-29 slackness in shipbuilding accounted for 32 per cent. of Britain's unemployed, Mr. Denny points out that

German's mercantile marine has been brought up to 80 per cent. of its pre-war strength by the building of new tonnage. This building has been financed mainly by the "Harriman interests," which seems to be just another name for the Warburg group. America, we are told, has now on a conservative estimate a three-quarter interest in the North German Lloyd line, and another big first mortgage on the Hamburg-America line. Britain, on her side, is left with the old out-of-date pre-war German ships on her hands while Germany can offer travel in new modern liners built with American money.

Such is the picture Mr. Denny gives of the directions in which went the money taken from the American public by the financiers during the "stock exchange orgy." The American financial penetration of Britain has not been followed by any conspicuous benefits to British industry so far. According to Mr. Denny, it is not intended that it shall be. Britain is doomed, is the burden of his song, and "if Britain is foolish enough to fight she will go down more quickly, that is all."

With the pitiful plight of Britain Mr. Denny contrasts that of Germany: "The net result of the war and the peace settlement imposed by the victors to ruin Germany has been to give her new life and a future potentially the brightest in Europe. The war 'victory' has rid Germany of an archaic, oppressive, and inefficient political system. It has relieved her of an armament burden such as is now breaking Britain's back."

Further, it is pointed out that the German financial deflation wiped out the capital liabilities on German industry, and that "out of the ruins has risen a modernised industrial organisation better than any in Europe, and incomparably better than Britain's." To what extent this achievement has been directed from New York the reader can judge from the extracts from Mr. Denny's book quoted above.

Alarm has been expressed both by the American National Association of Manufacturers and the American Federation of Labour at the huge diversion of American money into foreign channels during recent years. Both these organisations doubtless look at things from the purely national point of view, whereas the financiers who dominate American industry appear mainly international in their interests and outlook. Whether their operations have been an unmingled blessing to the

American people is open to doubt. "The general trend in this country," says Mr. Denny, "has been for large corporations to grow richer, and for small factories to grow poorer and go bankrupt."

The American worker, we are also told, has shown more willingness to transform himself in to a "human machine" than has the more class-conscious British worker. "Perhaps the best proof of the near-perfection of the spirit of American labour for the purposes of an unrestricted capitalist system is its submission to legal injunctions and physical violence without effective protest. The anti-labour injunction flourishes in all parts of this country. There is terrorism and murder by sheriffs and company police, especially in the coal and iron and in the textile industries, and constant violation by officials and employers of the workers' constitutional civil liberties."

Finally it is asserted that half the members of the Coolidge Cabinet were the representatives of big business, as are two-thirds of the members of the Hoover Cabinet.

Such is a recent picture of what world domination by German-Jew finance in New York is meaning. "No one," says Mr. Denny (who says nothing of Jews in his book), "can say the fight is clean." And in another passage we read: "To many this transformation of the world into a cheaper imitation of all that is crude and little that is good in American civilisation seems a frightful thing."

In other parts of this book we have read statements by those who fought the establishment of the Federal Reserve Board that the desire of the Money Ring is for alternate periods of high and low prices. For high prices they sell stocks and bonds to the public, and for the low prices they create by gold manipulation they buy back these stocks and bonds for a fraction of what was given for them, and in this way goes on a continual out-reaching over human life and industry by the money power.

It is to be noticed that Mr. Denny expresses the opinion that war between America and Britain is more probable than between America and any other power. He instances particularly the struggle for oil between the British (Shell) and American interests. Feeling was also engendered by the American buying up of British

General Electric and the British fight to block this. Another point at which an international explosion is listed by Mr. Denny as possible is Panama. There the "Panama Corporation, a British syndicate promoted by the Earl of Cavan and Lord Melchett (Mond) obtained from the Panama Government a ten-year gold concession." Charges have since been filed with the United States Department asserting that there is no gold in the area, that the British Government by the concession has obtained important naval bases, that there is a British right to police the territory near the canal, and exclusive rights to potential Panama rubber desired by America to block the British world monopoly.

Of the heads of the Shell and British General Electric concerns Mr. Denny says: "It is interesting to note that the two most extreme leaders of the 100 per cent. British movement against American capital, Sir Hugo Hirst and Sir Henri Deterding, are not men of British origin. Sir Henri, who is the British general in the oil war, is a Hollander by birth, Sir Hugo, at the height of the General Electric controversy, was denounced by a Labourite in Parliament as a super-patriot of German origin.'"

The passages quoted in this chapter sufficiently expose the nature of the forces that might produce an armed conflict between Britain and America. In the opinion of many, Jewish financiers precipitated the South African war of thirty years ago, and in the opinion of some the Great War also. And history is said to repeat itself.

CHAPTER XI.

HENRY FORD RETRACTS.

Of very great significance and importance in any review of the present world-control by high finance is the story of Mr. Henry Ford's seven-year campaign against various undesirable influences declared by him to be Jewish in origin. This ended in the middle of 1927 with an abject apology by Mr. Ford as part of the terms of settlement out of court of a million dollar libel action brought against him.

As is well known Mr. Ford in 1916 embarked on his famous "Peace Ship," in which he sailed with a party of peace missionaries on a voyage to Europe. The ship proceeded to Stockholm, Mr. Ford himself leaving her at Christiania. Up to this date Mr. Ford seems to have blamed the German militarists for the war, but during his tour abroad he was given information which led to the conviction that German-Jewish international financiers were responsible for the disaster of the Great War and the millions of lives sacrificed in it.

In 1920 Mr. Ford began in his newspaper, the "Dearborn Independent," the publication of articles criticising German-Jew financiers for their part in the war, and for their activities in many other directions deemed by him to be injurious. As Mr. Ford subsequently disclaimed knowledge or approval of the articles in the "Dearborn Independent," perhaps it would be more accurate to say the articles dealt with such activities as were deemed by the directors of the paper to be injurious.

These articles appear to have covered a wide field. The writer has not had access to a file of the "Dearborn Independent," and his knowledge of the articles is derived from excerpts published in other journals from time to time. Among other things the Ford journal dwelt particularly on the Jewish control of the motion picture industry, on Jewish control of the American magazines, and the great predominance of Jew magazine writers, on Jewish control of the stage. In Chapter VI has been quoted a lengthy extract from the London "National Review" of a passage from a "Dearborn Independent"

article on the German central banking system and the connection of the Warburg brothers therewith.

Mr. Ford was far from being alone in attaching a sinister significance to Jewish activity. At the date at which his campaign was begun there was widespread concern at the fact that the leaders of the Bolshevik revolution in Russia were mainly Jews. Many newspaper articles and various books were appearing in which the matter was dealt with at length.

In the middle of 1920 the London "Morning Post," for example, published a series of articles in which it was asserted that Jewish revolutionary activity constituted a world peril. These articles were later republished in book form ("The Cause of World Unrest," Grant Richards, London, 1920). In this book the belief was expressed that a great conspiracy existed the purpose of which was the destruction of the British Empire. The "Morning Post," as is well known, is a highly Conservative journal much read by Britain's aristocracy.

In reviewing this book the London "Spectator" in its issue of October 16, 1920, said it was of opinion that a case for full enquiry had been fully established by the "Morning Post," and it hoped that some body in the nature of a Royal Commission might be set up to investigate the whole matter. The "Spectator" even went so far as to suggest that Lord Sumner, one of the law lords, would make an admirable chairman for such a commission. As to the terms of reference the "Spectator" suggested that the Commission should be called upon to report:

- (1) Whether a world-wide conspiracy exists, or has existed, in recent years.
 - (2) Whether, if its existence is proved, its objects are merely vaguely subversive and, however mistaken, inspired by the general desire to free and benefit mankind, or whether they are destructive, anti-democratical and tyrannical.
 - (3) Whether it is true, as alleged, that the leaders of this world-wide conspiracy are as a rule Jews.
 - (4) Whether the object of those Jews who join the conspiracy is the destruction of the Christian religion as well as political revolution.
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- (5) Whether the mass of the Jews—i.e., those who maintain their racial and religious exclusiveness—sympathise with and protect the Jewish conspirators, and do so not so much because they agree with them as because they are Jews.

The "Spectator" pointed out that it was an undoubted fact that most of the revolutions in Continental Europe in the nineteenth century had been led by Jews, and it is, of course, well known that Karl Marx, the socialist preacher of the war of the proletariat, and his backer Engels were both German-Jews.

In its article this influential British periodical declared that the way to fight conspiracy was not by counter-conspiracy, but by turning the searchlight of publicity on to the doings of the conspirators. What happened? The "Spectator" carried on its campaign of publicity for a while, but within a year or two its control passed into other hands, and so far as the writer can discover it thereafter lost interest in the subject. The "Morning Post" also changed hands, and since seems to have paid no attention to alleged Jewish conspiracies against the British Empire.

One journal alone, the London "National Review," has pegged away unceasingly at the present domination in high finance. Some time ago its editor and proprietor, Mr. Leo J. Maxse, announced that special steps had been taken in the incorporation of the proprietary to ensure continuity of policy.

During the war Mr. J. Foster Fraser had published a volume, "The Conquering Jew" (1915), merely emphasising the great importance of the Jews despite their small numbers. In 1917 Mr. Arnold White wrote "The Hidden Hand." That there was a hidden hand directing affairs Mr. White had no doubt, and of its nature he said:

"Two theories exist as to the identity of the Hidden Hand. The highest authority, Dr. Ellis Powell, editor of the "Financial News," to whom I dedicate this book, favours the belief founded on evidence that the Hidden Hand today belongs to an individual of supreme ability, working through astute agents, to many of whom his identity is unknown. The other theory is that the Hidden Hand is adroitly directed by various agents of the German Government."

In 1920 there was also published by Messrs. Eyre and Spottiswoode a reprint of a remarkable pamphlet issued in Russia in 1905 containing the alleged "Protocols of the Learned Elders of Zion." With this extraordinary document we shall deal in the next chapter.

In 1921 appeared Mrs. Nesta Webster's "World Revolution: The Plot Against Civilisation," a book which Mrs. Webster followed up with her "Secret Societies and Subversive Movements," published in 1924.

The next year saw the publication of Mr. Hilaire Belloc's book, "The Jews." In this book Mr. Belloc declared that the South African war 'was openly and undeniably provoked and promoted by Jewish interests in South Africa.' Of the Panama scandal in France in the nineties in which millions put up by the French public to build the Panama canal disappeared in bribery and corruption, and of the Marconi scandal in Britain ten years later in which British Cabinet Ministers were found to have been dabbling in Marconi Company shares prior to an increase in their value by a Government contract, Mr. Belloc said:

"They might have passed as isolated things a generation before. They were now connected, often unjustly, with an uneasy sense of a general financial conspiracy. They were at any rate connected with an atmosphere distinctly Jewish."

Of the ever-growing fields in which the Jews held a monopoly, Mr. Belloc wrote:

"It is an exceedingly dangerous point in the present situation. I do not think that the Jews have a sufficient appreciation of the risks they are running by its development. There is already something like a Jewish monopoly in high finance. There is a growing tendency to Jewish monopoly over the stage, for instance, the fruit trade in London, and to a great extent the tobacco trade. There is the same element of Jewish monopoly in the silver trade, and in the control of various other metals, notably lead, nickel, quicksilver. What is most disquieting of all, this tendency to monopoly is spreading like a disease. One province after another falls under it, and it acts as a most powerful irritant. It will perhaps prove the immediate cause of that explosion against the Jews which we all dread, and which the best of us, I hope, are trying to avert."

"It applies, of course, to a tiny fraction of the Jewish race as a whole. One could put the Jews who control lead, nickel, mercury and the rest into one small room: nor would that room contain very pleasant specimens of their race. You could get the great Jewish bankers who control international finance round one large dinner table, and I know dinner tables which have seen nearly all of them at one time or another."

In another striking passage Mr. Belloc wrote:

"The Great War brought thousands upon thousands of educated men (who took up public duties as temporary officials) up against the staggering secret they had never suspected—the complete control exercised over things absolutely necessary to the nation's survival by half a dozen Jews who were completely indifferent as to whether we or the enemy should emerge alive from the struggle."

Throughout the war there had been a widespread belief that mysterious subterranean influences had somehow militated against Britain putting forth her full effort in the struggle. This belief in a "hidden hand" had been fanned up as a result of the extraordinary allegations made in course of the libel action which Miss Maud Allan, the dancer, had brought in 1918 against Mr. Pemberton Billing, M.P. Mr. Billing in his paper, the "Vigilant," had alleged that Germany had carried on a systematic campaign of blackmail of influential persons in Britain, and two witnesses during the libel action swore that they had seen a copy of what was called "The Black Book," an alleged German Secret Service document in which were set out detailed instructions how to entice people into conduct facilitating blackmail. In another section of this book was said to be a long list of prominent British persons, including numbers in the front rank in public affairs, who were listed as approachable, and against each name was a biographical note and suggestions as to possible methods of getting at each individual. The basis of the action was an allegation that the performance of "Salome" (financed by a German-Jew) would attract influential, but morbid, persons suitable for Black Book operations. The book itself could not be produced, but one witness swore that it had been shown to him by Prince William of Wied in Albania, from whose cabinet he subsequently abstracted it. No evidence was adduced that anyone had been so

approached or had yielded to pressure of such a nature, and this despite the fact that the names of eminent persons alleged to be listed in the book were screamed across the Court in this disorderly trial. The wide publicity of these proceedings greatly heightened the fever of suspicion existing at the time, and which later centred on the Jewish influences in the Bolshevik revolution on these becoming recognised.

Many books and much periodical literature appeared about this date on the menace of the money power, without as a rule identifying that power as predominantly Jewish. In the flood of post-war memoirs there were not a few references to the Jewish question by distinguished persons. Mr. H. Wickham Steed, editor of the London "Times" under the Northcliffe regime and for many years correspondent of the "Times" in various foreign capitals, published two volumes entitled "Through Thirty Years" (Heinemann, 1924). Mr. Steed's narrative dealt mainly with the course of European affairs. In his concluding chapter he ranked international Jewry as the most potent force in the world today, declaring that "those who hold that Jewry is always guided by material considerations are apt to be woefully wrong." Mr. Steed also remarked that he had been puzzled why it was that the Jews who are worse treated in Germany than in Austria, France and Britain should have become more and more pan-German.

The foregoing excerpts are sufficient to show that the campaign conducted in the Ford newspaper with such vigour was but an American expression of views widely shared in numerous influential quarters in Britain. With the details of the allegations made in the "Dearborn Independent" the writer is not familiar. The attack was wide in its scope and specific in its charges, and it ended in July, 1927, by apology and retraction as part of the terms of settlement of a million dollar libel action brought by Mr. Aaron Sapiro on account of criticism of a Jewish co-operative organisation.

In his books Mr. Ford has written strongly against banker-controlled industry. For example, in "My Life and Work" (1922), Mr. Ford says:

"Bankers play far too great a part in the conduct of industry. Most business men will privately admit that fact. They will seldom publicly admit it because they are afraid of their bankers. It requires less skill to make a fortune dealing in money than dealing in production.

The average successful banker is by no means so intelligent and resourceful a man as is the average successful business man. Yet the banker through his control of credit practically controls the average business man. There has been a great reaching out by bankers in the last fifteen or twenty years—and especially since the war—and the Federal Reserve System for a time put into their hands an almost limitless supply of credit."

In the chapter from which the above is taken—headed "Money: Master or Servant"—Mr. Ford tells how during the slump of 1920-21 his company was pressed for cash and how "an officer of a New York bank called on me with a financial plan which included a large loan, and in which was also an arrangement by which a representative of the bankers would act as treasurer and take charge of the finances of the company."

Of the energetic and successful steps which he took to escape this bank domination Mr. Ford tells in detail—how he turned everything possible into cash and in three months produced a third more than was needed to meet the then heavy indebtedness of the company.

In May, 1927, the Ford Company went out of production to change over the plant from the old model Ford to the present model. This operation took double the time that was expected, and was not completed until December of that year. It was during this period that Mr. Ford settled the million dollar Sapiro libel action by apology. In that apology, as printed in the "Literary Digest" at the time, Mr. Ford referred to the "Dearborn Independent" and said:

"I am deeply mortified that this journal, which is intended to be constructive, not destructive, has been made the medium for resurrecting exploded fictions, for giving currency to the so-called Protocols of the Wise Men of Zion which have been demonstrated, as I learn, to be gross forgeries; and for contending that the Jews have been engaged in a conspiracy to control the capital and industries of the world; besides laying at their door many offences against decency, public order, and good morals.

"Had I appreciated even the general nature, to say nothing of the details, of these utterances, I would have forbidden their circulation without a moment's hesitation."

According to the "Literary Digest" Mr. Ford's retraction proceeded with an explanation that "the multitude of his activities made it impossible for him to keep informed as to the contents of the 'Dearborn Independent' and the pamphlets entitled 'The International Jew.'"

The "New York World Almanack" for 1930 has an entry in its chronology of the year recording how Mr. Henry Ford attended a Jewish gathering and delivered a eulogy of the Jewish race which by special arrangement was broadcasted all over the United States. In our chapter "The German Side of the Story" we have quoted a long extract showing what the Ford newspaper was saying of the Warburg group in November, 1924. In the chapter immediately preceding this we have noted how Mr. Ludwell Denny in "America Conquers Britain" has recorded that Mr. Edsel Ford and Mr. Paul Warburg in 1929 became co-directors of the American I.G. Corporation, a huge combine co-operating with the German chemical trust, of which trust the Ford Company of Germany is stated by Mr. Denny to have become a subsidiary.

Mr. Ford's retraction apparently extends only to the matter published in the "Dearborn Independent," matter which had only appeared in consequence of his other activities not permitting him time to keep in touch with what those directing his paper were inserting in it. That was the ground of the Ford apology. It is not a ground that can be applied to personal statements made by Mr. Ford himself. It cannot apply to the statement which Captain Cazalet, M.P., in the "National Review" for December, 1926, reports Mr. Ford as having made to him at Detroit at the end of October in that year, and recorded by Captain Cazalet as follows:

"Like other remarkable men Ford has one bugbear, i.e., international Jewish financiers. We asked him who they were. He said: 'I have several books which will tell you who they are. They were responsible for the last war, and will in the future always be capable of creating a war when they feel their pockets need one.'"

In its issue of October 18, 1926, the London "Times" quoted from the "New York American" a passage from an interview with Mr. Ford in which he attacked international financiers in very similar language.

Nor can the retraction of 1927 be applied to what Mr. Ford says of certain Jewish influences in his book "My Life and Work," published in 1922. If there has been a withdrawal of this passage we have failed to discover it although we have searched in reliable quarters for all references to Mr. Ford and the Jews. It is true that on the title page under the announcement that the book is "by Henry Ford" is in smaller type the addition "in collaboration with Samuel Crowther," but it is reasonable to assume that even the busiest of mankind would keep himself in touch with the contents of a book broadcasted to the world as his autobiography, even though a third party may have been employed in its literary presentation. It is thus unlikely that Mr. Ford should not have been aware of the following taken from pages 250-53 of the second Australian edition of his book:

"The work which we describe as Studies in the Jewish Question, and which is variously described by antagonists as 'the Jewish campaign,' 'the attack on the Jews,' 'the anti-Semitic pogrom,' and so forth, needs no explanation to those who have followed it. Its motive and purposes must be judged by the work itself. It is offered as a contribution to a question which deeply affects this country, a question which is racial at its source, and which concerns influences and ideals rather than persons. Our statements must be judged by candid readers who are intelligent enough to lay our words alongside life as they are able to observe it. If our word and their observation agree, the case is made. It is perfectly silly to begin to damn us before it has been shown that our statements are baseless or reckless. The first item to be considered is the truth of what we have set forth. And that is precisely the item which our critics choose to evade.

"Readers of our articles will see at once that we are not actuated by any kind of prejudice, except it may be a prejudice in favour of the principles which have made our civilisation. There have been observed in this country certain streams of influence which have been causing a marked deterioration in our literature, amusements, and social conduct; business was departing from its old-time soundness; a general letting down of standards was felt everywhere. It was not the robust coarseness of the white man, the rude indelicacy of

Shakespeare's characters, but a nasty Orientalism which has insidiously affected every channel of expression—and to such an extent that it was time to challenge it. The fact that these influences are all traceable to one racial source is a fact to be reckoned with, not by us only, but by the intelligent people of the race in question. It is entirely creditable to them that steps have been taken to remove their protection from the more flagrant violators of American hospitality, but there is still room to discard out-worn ideas of racial superiority maintained by economic or intellectually subversive warfare upon Christian society.

"Our work does not pretend to say the last word on the Jew in America. It says only the word which describes his present impress on the country. When that impress is changed the report of it can be changed. For the present, then, the question is wholly in the Jews' hands. If they are as wise as they claim to be, they will labour to make the Jews American, instead of labouring to make America Jewish. The genius of the United States of America is Christian in the broadest sense, and its destiny is to remain Christian. This carries no sectarian meaning with it, but relates to a basic principle which differs from other principles in that it provides for liberty and morality, and pledges society to a code of relations based on fundamental Christian conceptions of human rights and duties.

"As for prejudice or hatred against persons, that is neither American nor Christian. Our opposition is only to ideas, false ideas, which are sapping the moral stamina of the people. These ideas proceed from easily identifiable sources, they are promulgated by easily discoverable methods; and they are controlled by mere exposure. We have simply used the method of exposure. When people learn to identify the source and nature of the influence swirling around them, it is sufficient. Let the American people once understand that it is not natural degeneracy, but calculated subversion that afflicts us, and they are safe. The explanation is the cure.

"This work is taken up without personal motives. When it reached a stage where we believed the American people could grasp the key, we let it rest for a time. Our enemies say that we began it for revenge and that we laid it down in fear. Time will show that our critics are

merely dealing in evasion because they dare not tackle the main question. Time will also show that we are better friends to the Jews' best interests than are those who praise them to their faces and criticize them behind their backs."

This Ford campaign has now ceased, and Mr. Ford has declared it mistaken, and its inception a matter of regret. It is none the less an episode of significance.

CHAPTER XII.

THE MYSTERY OF THE PROTOCOLS.

It has been said that every country has the Jews it deserves, and we all know that taken generally the Jewish citizens of the British Empire are distinguished by public spirit and a high standard of commercial integrity and fair dealing.

In some other European countries the Jews have been greatly oppressed. Every student of German history knows that for centuries the people of that country lived under the despotism of a multitude of petty rulers, and in self defence were driven into secret organisation. The Jews in particular were singled out for exceptional treatment.

It is an outstanding trait of human nature that every community of human beings, large or small, tends to become inspired with an ideal of its destiny, and that from such feelings spring the finest actions that adorn the history of the world. Occasionally there occurs a perversion of racial or national ideals, which then become a public danger. We have now reached a point at which it is necessary to consider, unfortunately, whether the atrocious treatment meted out to them in the past has created such a perversion of ideals among a section, or group, of the Jews on the Continent of Europe.

Ten years ago much interest was excited by the publication in London of documents purporting to show that a secret organisation of Jewish character had existed for a long period on the Continent of Europe, and that its object unceasingly pursued from generation to generation was by degrees to enslave and dominate the non-Jewish peoples of the world. According to the documents published the engineers of the movement were wholly indifferent as to the moral character of the means adopted to attain the end.

The publication of this matter led to expressions of strong indignation by leading Jews that reputable journals should print such allegations. The documents were declared to be gross forgeries, long known and exploded on the Continent of Europe and various sources were given as their origin.

The extraordinary thing about these "Protocols of the Learned Elders of Zion," as they are called, is the accuracy with which they are being fulfilled. Their origin may be wrapped in mystery, but of the fulfilment of the programme set out in them there can be no question.

The "Protocols of the Learned Elders of Zion" were published by Messrs. Eyre and Spottiswoode, London, in 1920, and were reviewed at length in the London "Times" of May 8, and the London "Spectator" of May 15.

In its notice of the pamphlet the "Times" explained that it was a reprint of matter published in Russia in 1905 by Professor Sergius Nilus, a minor official in the Russian Foreign Office. In view of the course of world events between 1905 and 1920, the "Times" thought it important to explain that there could be no question of the issue in 1905, as the British Museum Library held a copy of the original Russian pamphlet with the Museum date stamp of August 10, 1906, on it, showing its date of receipt.

According to the explanation given by Professor Nilus in his preface, the matter he published came into his hands in the following manner:

"A manuscript has been handed to me by a personal friend now deceased . . . with the positive assurance that it was a true copy in translation of original documents stolen by a woman from one of the most influential and highly initiated leaders of freemasonry. The theft was accomplished at the close of a secret meeting of the initiated in France, that nest of Jewish Masonic conspiracy."

According to the summary given in the London "Times," the documents set out:

- (1) That there has been for centuries a secret international political organisation of the Jews.
- (2) That the spirit of this organisation is one of undying hatred of the Christian world coupled with a titanic ambition for world domination.
- (3) That the goal relentlessly pursued for centuries is the destruction of the Christian national states, and the substitution for them of an international Jewish dominion.

- (4) That the method adopted for first weakening, then destroying the Christian national states is the infusion of disintegrating political ideas ranging from liberalism to radicalism, radicalism to communism. Out of the welter of world anarchy, in response to the desperate clamour of distraught humanity, the stern, logical, pitiless rule of the "King of the Seed of David" is to arise.
- (5) The political dogmas evolved by Christian Europe, democratic statesmanship and politics, are all equally contemptible to the rulers of Zion. "Political problems are not meant to be understood by ordinary people: they can only be comprehended, as I have said before, by rulers who have been directing affairs for many centuries."
- (6) To this conception of statesmanship the masses are contemptible cattle, and the political leaders of the Gentiles, "upstarts from its midst as rulers, are likewise blind in politics. They are puppets pulled by the hidden hand of the Elders," puppets mostly corrupt, always inefficient, easily coaxed, bullied, or blackmailed into submission, unconsciously furthering the advent of Jewish dominion.
- (7) The Press, the theatre, stock exchange, speculation, science, law itself, in the hands that hold all the gold are so many means of procuring a deliberate confusion and bewilderment of public opinion, a demoralisation of the young, and an encouragement of the vices of the adults, eventually substituting in the minds of the Gentiles, for the idealistic aspirations of Christian culture, the "cash basis," and a mentality of materialistic scepticism, or cynical lust for pleasure.

In the programme for securing world domination as sketched out in the Protocols it was laid down:

"It is indispensable for our plans that wars should not produce any territorial alterations."

It was remarked in the "Times" article that this view seemed curiously re-echoed in the "Peace without annexations" cry after the Great War.

It is remarkable to think of the following passage as appearing in 1905:

"We will create a universal economic crisis by all possible underhand means, and with the help of gold, which is all in our hands. Simultaneously we will throw into the streets huge crowds of working men throughout Europe. We will increase the wages which will not help workmen, as at the same time we will raise the prices of prime necessities. . . .

"It is essential to us at all costs to deprive the aristocracy of their lands. To attain this the best method is to force up rates and taxes. These methods will keep the landed interests at their lowest possible ebb. . . .

"In governing the world the best results are secured by violence and intimidation. . . .

"In politics we must know how to confiscate property without hesitation, if by so doing we can obtain subjection and power. Our State, following the way of peaceful conquest, has the right of substituting for the terrors of war executions less apparent and more expedient, which are necessary to uphold terror, producing blind submission.

"By new laws we will regulate the political life of our subjects as though they were so many parts of a machine. Such laws will gradually restrict all freedom and liberties allowed by the Gentiles.

"It is essential for us to arrange that besides ourselves there should be in all countries nothing but a huge proletariat, so many soldiers and police loyal to our cause.

"In order to demonstrate our enslavement of the Gentile Governments of Europe we will show our power to one of them by means of crime and violence, that is to say, a reign of terror.

"Our programme will induce a third part of the populace to watch the remainder from a pure sense of duty, or from the principle of voluntary service.

"The main problem for our government is how to weaken the brain of the public by criticism, how to make it lose its power of reasoning which creates opposition, and how to distract the public mind by senseless phraseology."

A correspondent writing to the "Times" on May 11,

1920, pointed out that in the original Russian pamphlet there appeared in the preface the following statement by the author, which had been omitted from the English edition.

"It will satisfy our feeling of responsibility if only by the grace of God we have achieved the, to us, so important aim—to forewarn, and yet did not arouse in the heart of any one person a feeling of animosity towards the until now blind Jewish people, the masses of whom, keenly believing though in a lie, are not guilty of the satanic sin of their leaders—the scribes and Pharisees, who have once already ruined Israel."

In 1917 Professor Nilus, at the time of the Bolshevik descent on Russia, produced a second edition of his pamphlet bearing the title "It is Here at Our Doors!" Of the subsequent history of Professor Nilus the writer is unaware.

Apart altogether from any question of their origin, it is a very extraordinary thing that documents setting out such a programme as is outlined in the Protocols should have been published as far back as 1905.

Taking the points seriatim, what do we find?

It is an unquestionable fact that German-Jews have been active in disseminating "disintegrating political ideas." Marx, the founder of modern Socialism, was one such, and many others have been prominent as the leaders of revolutions in Europe.

The Bolshevik Government in Russia has shown an undying hatred of the Christian religion, and the newspapers have lately testified to governmental efforts there to suppress all celebration of the Christian festival of Christmas. [While this chapter is in the printer's hands a news message in the daily papers has recorded the publication in Germany of a derogatory life of Christ by a German-Jew.]

In the Panama and Marconi scandals in France and England the world was provided with instances of the activities of Jewish agents. In the United States the memoirs of a late British Ambassador testify to the formidable power the German-Jews have exerted on Congress. We have seen how the representatives of the people were cajoled into accepting the Federal Reserve System by representations that it would ensure industrial stability, whereas it has not been used for any such

purpose. Any number of examples can also be found of politicians "unconsciously furthering" the advent of this financial dominion.

The Press in Britain and America is largely under Jewish domination, as are the stage, the movies, and the stock exchange. Much matter demoralising to the young is, without question, unnecessarily imported into moving picture dramas.

We have seen how the present "universal economic crisis" has been created by "underhand means" and "with the help of gold."

The landed interest everywhere has been much weakened by the economic conditions which have existed in recent years. It is impossible for the Money Power to enslave people living on the land under free conditions. Farmers to be caught in the toils must be bound up in the chains of mortgage debt and credit systems. We have seen what farmers of America think of the Federal Reserve Board.

In Mr. Ludwell Denny's book the passage quoted in an earlier chapter records how big business in the United States makes use of violence and intimidation to rule its employees, and it cannot be said that the German-Jewish trust control has shown any averseness to these methods, even though it may not have originated them.

Although heralded as the rule of the proletariat, there has been nothing of a democratic nature in Bolshevik rule in Russia. "Freedom and liberties allowed by the Gentiles" appear to be conspicuously absent, and the "political life of our subjects" does undoubtedly appear to be "regulated as though they were so many parts of a machine." The papers of late have recorded the horrors of the Russian timber camps in which hundreds of thousands of persons are stated to be herded in virtual slavery and starvation. By this means are the present rulers of Russia building up a timber export trade.

The requirements of the Protocols that "besides ourselves, there should be in all countries nothing but a huge proletariat" is being steadily achieved by a succession of economic crises in each of which additional classes of small capitalists are destroyed and thrown into the proletariat, while those that survive are drawn more

and more into the toils of the Money Power, becoming merely its creatures and totally under subjection.

In the Russian Revolution Jewish leaders did assuredly provide Europe with a demonstration of their power by means of "crime and violence, that is to say, a reign of terror."

As for the requirement that the public mind should be distracted by "senseless phraseology," is there any subject on which more senseless phraseology is written than the subject of money and the gold standard in particular? Did not the people of the United States lose their power of reasoning when in face of the Pujo Report they immediately handed over control of the money of their country to the very men who had been denounced as constituting the Money Trust?

We have thus reached the position (1) that the London "Times" has certified that the British Museum records provide indubitable evidence that the Protocols were published in 1905; (2) that events set out in the Protocols as part of a future programme have transpired; (3) that Jews have been prominently associated with these events; and (4) that the Protocols supply a perfect explanation of phenomena, so that what otherwise seems a haphazard jumble of unrelated occurrences is found to fit together like the pieces of a jig-saw puzzle, each revealing itself as part of an ordered plan.

Uncanny as it is to find this fulfilment of the Protocols, we must not jump to conclusions. Because some person says that a certain thing will come to pass, or even urges that steps be taken to cause it to come to pass, it is no proof on the event transpiring that the prophet or advocate was necessarily the agent who brought it to pass.

A man may tell us that there will be an eclipse of the moon at a certain moment in ten years' time, but on the eclipse occurring we cannot hold him responsible for it. A clairvoyant, or person with a gift of prophecy, may foretell a future event without in any way being its cause.

Before we can assert that German-Jews, or any section of them, are engaged in a conspiracy, we must have actual positive evidence of their participation. In any case a conspiracy to rule the world by owning it would not be an illegal conspiracy. There is really

nothing to stop a small group of men from owning the earth so that the rest of us arriving on this planet are here on sufferance. The whole trend of modern commerce and credit is first to inveigle people into debt, and by a manipulation of money to increase the burden of that debt so that these individuals are stripped of all they possess. In this way a continuous concentration of wealth is taking place, and even though it could be proved that the whole system was designed by German-Jews and was concentrating wealth and ownership in their hands, there would not necessarily be anything unlawful in such combination and action. Many highly respectable Christians are just as active in this.

We have next to recognise that the origin of the Protocols is shrouded in mystery. The statement of Professor Nilus as to how the document came into his possession has been given above. In the second edition of his pamphlet he gave a slightly different explanation. In the first statement the matter was stolen by a woman from an influential Jewish Freemason. In the second statement it appeared the matter was abstracted from a safe. Both statements would be substantially accurate if a woman had taken from a safe a document belonging to an influential Jewish Freemason.

The British Jews' Association thought the publication of sufficient importance to warrant notice by them. In its issue of June 2, 1920, the London "Times" published the text of a lengthy resolution by this association. After pointing out that the author of the pamphlet had received it "through a friend now deceased," and of the variations in his accounts of its original acquisition, it was stated:

"In view of the suspicious character of the statement, and of the further avowal of the author that he is unable to produce evidence of the genuineness of his documents, the committee resolved that it is unnecessary for the Jewish community to take any action."

On June 12, 1920, Mr. Lucien Wolf, the well-known Jewish journalist, and the author of the article on "Anti-Semitism" in the new edition of the Encyclopædia Britannica, contributed a lengthy letter to the "Spectator" pointing out that the bogey of a Jewish secret society was at least three centuries old.

Mr. Wolf declared that after the existence of the Illuminati, a Bavarian Masonic organisation with a

revolutionary plan, had become known at the end of the eighteenth century it was promptly annexed by a succession of scare-mongers and writers of sensational books. After giving a list of these writers, Mr. Wolf declared that the Protocols from an examination of their text were pretty obviously a plagiarism from a novel "Gaeta Duppel Warsaw," published by Hermann Goedsche in 1868, Goedsche being, Mr. Wolf stated, an ex-official of the Prussian postal service dismissed for forgery.

In his novel Goedsche describes, we are told, an assembly of the Elect of Israel held once in every century at which is expounded the plan of Simeon, handed down from from generation to generation, by which the Jews may secure their domination over all the nations of the earth. The Jews are to work with gold and the Press for the subversion of Monarchy and Christianity. They are to act as a universal disturbing and demoralising instrument, and in particular they are to seduce and stir up the proletariat to political revolution, so that eventually they may establish a universal Jewish Monarchy on the ruins of Christian society.

As noted in the chapter on Russia, Mr. Wolf in his letter asserted that the Nilus pamphlet was produced in Russia in 1905 as part of the propaganda against the Jews, who were blamed for the revolution of that year, and was in particular used by the Russian Foreign Minister, Count Lamsdorff, in connection with a secret memorandum which the Tsar submitted to the Kaiser urging joint action by Russia and Germany against Jewish and Masonic peril. Such peril we are assured by Mr. Wolf is a pure myth. Nevertheless we shall look in vain to find on the thrones of Russia and Germany the two illustrious personages who in 1905 put their heads together to combat a supposed Jewish peril.

So far Mr. Wolf. On August 16, 1921, the London "Times" published in a most prominent position, in the outside column of its leader page, a long message from its Constantinople correspondent headed "Jewish World Plot: An Exposure." In this was set out how a mysterious Mr. X had bought a second-hand book, "Dialogue in Hell between Machiavelli and Montesquieu," written by M. Maurice Joly and published in Brussels in 1865. It was a political squib directed against the Emperor Napoleon III. Parallel column

extracts showed many passages almost identical with the Protocols. There was some evidence that this particular copy of the book had been in the possession of the Russian secret police.

The "Times" correspondent incidentally mentioned that Professor Nilus in his second edition of 1917 had stated that he had received the Protocols from Alexis Nicolaevich Sukholin, a noble afterwards Governor of Stavropol. In this edition it was also alleged that the Protocols were notes of a plan submitted by Theodor Hertzl to the first Zionist Congress Council of Elders held at Basle, in Switzerland, in 1897.

It will thus be seen that two totally different sources were supplied with equal satisfaction as being the origin of the Protocols.

An equally feasible explanation would be that the matter in the Protocols and in the two books, the Goedsche novel and the "Dialogues in Hell," had been derived from some common source. It is just as credible that the authors of these books should have come independently upon knowledge of the plan of a conspiracy, and that one should have dressed this matter up in the form of a dialogue to discredit the Emperor Napoleon by representing him as possessing such ideas; that another should have incorporated it in a work of fiction; while the third writer makes a straight-out exposure. This explanation fits the facts just as well as an explanation that the Protocols began merely as a fanciful invention in a novel, and were stolen and dressed up in Russia to injure the Jews. The deadly accuracy of the Protocols puts the fiction-plagiarism theory at a heavy discount. It may be noted that according to correspondence in the "Spectator" a Jewish banker financed the publication of M. Joly's "Dialogue." •

The existence of the Society of the Illuminati in Bavaria is a historically established fact, and it is equally well established that in carrying out its programme its motto was in effect "Evil be thou my good." The Illuminati were founded by Adam Weishaupt on May 1, 1776. In 1784 the Elector of Bavaria discovered the existence of this secret society in consequence of one of its emissaries with incriminating papers on him being struck dead by lightning while on a journey. This led to searches and further discoveries, and the suppression in

Bavaria of the Illuminati and the flight of its leaders elsewhere.

The basic plan of the Illuminati was by means of initiation in many degrees—the initiate on admission to each new degree having a shade more of the real secret disclosed to him—to band a great body of men together for the execution of purposes which were known only to the concealed superiors of the order, quite false information being given to the initiates of lower degree as to the Society's objects.

Weishaupt said: "It is absolutely necessary that I should remain during my life unknown to the greater part of the adepts themselves. When the object is a Universal Revolution, all the members of our Societies, aiming at the same point and aiding each other, must find means of governing invisibly and without any appearance of violent measures, not only the higher and more distinguished class of any particular state, but men of all stations, of all nations, and of every religion; must insinuate the same spirit everywhere in silence, but with the greatest activity possible; direct the scattered inhabitants of the earth towards the same point. That is what we call the force of Secret Societies.

"The empire once established by means of union and with a multitude of adepts, let force succeed the invisible power, tie the hands of those who resist, subdue and stifle wickedness in the germ."

His aim Weishaupt declared to be "to overthrow every religion, every government, and all property whatsoever." On the ruins patriarchal rule was to be erected.

The Marquis de Mirabeau, at the time French Ambassador at Berlin, is stated by various historians to have joined the Illuminati while in Germany. The society was tacked on to Freemasonry by the creation of additional degrees in existing Masonic societies, so that even the very organisations to which the Illuminati belonged were ostensibly set up for some quite different purpose. Mirabeau on his return to Paris helped the Illuminati to gain a footing there, and worked with the Duke of Orleans, Grand Master of the French Freemasons, in his plot for overturning the French throne and getting himself elected first Lieutenant-General and then sovereign of France. As a prelude to the revolution came the diabolically clever plot of the Diamond

Necklace to discredit the King and Queen. Cagliostro, the charlatan mixed up in this is stated by his biographers to have been a member of the Illuminati.

It is further established that the Duke of Orleans was in communication with the mysterious Jacob Falk, then living with the Goldsmids in London, and believed by some to have been the chief of all the Jews. Falk's picture with Masonic emblems appears in the Jewish Encyclopædia.

Of Freemasonry the Jewish Encyclopædia says: "The technical language, symbolism, and rites of Freemasonry are full of Jewish ideas and terms . . . but this may have been derived without any Jewish intermediation, from commentaries on the Old Testament. . . . Jews have been most conspicuous in their connection with Freemasonry in France since the Revolution. One of the branches of the craft, the Supreme Council of the Orient, had Adolphe Cremieux as its S.G.G. (Sovereign Grand Councillor) from 1868 to 1886."

Speaking in the House of Commons on July 14, 1856, Disraeli, himself a Jew, said:

"There is in Italy a power which we seldom see mentioned in this House. . . . I mean the secret societies. . . . It is useless to deny, because it is impossible to conceal, that a great part of Europe—the whole of Italy, France, and a great portion of Germany, to say nothing of other countries—is covered with a network of these secret societies just as the superficies of the earth are now being covered with railroads. And what are their objects? They do not attempt to conceal them. They do not want constitutional government; they do not want ameliorated institutions. They want to change the tenure of land, to drive out the present owners of the soil, and to put an end to ecclesiastical establishments. Some of them may go further."

Said Disraeli also: "The world is governed by very different persons from what is imagined by those who are not behind the scenes."

There is undoubtedly a very old school of political thought based on the principle of Machiavelli that the end justifies the means, and some writers hold that there has been a continuous development for centuries of a body of doctrine for secretly controlling human beings by trading on their frailties, by their fear, by their greed,

by their lusts. The order of the Knight Templars founded for the protection of the Holy Places in Palestine, became corrupted, it is said, through alliance with the Assassins who terrorised the East, and whom the Templars were originally intended to fight. By the beginning of the fourteenth century the Order had become so corrupt that it was suppressed and the Grand Master and many of the knights burnt at the stake by order of the Pope. From some of the Templars who escaped to Scotland is said to have come the Ancient Scottish Rite on which was built up the political Grand Orient Freemasonry of the Continent of Europe. The whole subject, however, is exceedingly obscure, and so far as the writer can gather the available evidence is meagre, and the conclusions reached on one side and the other are based mainly on the conjectures of the various writers as to the probabilities of the case.

In passing, it may be noted that Simeon referred to in Goedsche's novel as the author of the Protocols, was Simeon Ben Yohai, who lived in the second century and was a leader of the Jews in their resistance to Roman rule under the Emperor Hadrian. Simeon is the traditional author of the Zohar, in which is incorporated the most mystical part of the Jewish religion, including the Cabala, teaching of the interpretation of the alleged mystic sense of the words of Scripture. It was from the Zohar that Madame Blavatsky seems really to have derived the inspiration on which the cult of Theosophy is based.

It will be seen that the further one goes into this side of things the deeper grow the waters. There is an immense body of matter on which suspicion may be based, but there is little or nothing susceptible of proof. In his book dealing with the Illuminati, published in 1797, the Abbe Barruel said:

"You thought the revolution ended in France, and the revolution in France was only the first attempt of the Jacobins. In the desires of a terrible and formidable sect you have only reached the first stage of the plans it has formed for that general revolution which is to overthrow all thrones, all altars, annihilate all property, efface all law, and end by dissolving all society."

Coming to more recent date, we have noted a reputable writer, Mr. Walter Russell Batsell, in a book on "Soviet Rule in Russia," published in 1929 by Messrs.

Macmillan, one of the foremost British publishing houses, setting down the following opinion:

"History will be likely to give prominence to plans for the destruction of Russia formulated at the Masonic Congress held at Brussels a few years before the world war. . . ."

Of the significance of the Protocols we have the views of a distinguished Englishman, Lord Sydenham, who has twice filled the office of Governor in important parts of the Empire, and who wrote as follows in a letter to the "Spectator" in 1921:

"Nothing that was written in 1865 can have any bearing on the deadly accuracy of the Protocols, most of which have since been fulfilled to the letter."

No person can be adjudged a party to a conspiracy without definite proof, and however perfect an explanation of world phenomena may be provided by the theory of such a conspiracy, we have no proof whatsoever of any individual being a party to it. Even if one took the view that a great part of the Empire's public men have been conforming to and furthering the programme set out in the Protocols, the same may be said of innumerable private individuals in the conduct of their affairs. Yet the whole of these may well have been entirely unconscious agents with no awareness of the cumulative effect of their actions. What they did may have been merely in conformity to pressure from above. It was made easy for them to act in a certain way, and they acted in that way. It is easy for us to borrow money, and we borrow. If the modern credit system is a trap we have walked readily enough into it.

Even if we assume that there is a *prima facie* evidence of a world conspiracy it is improbable to the last degree that the leaders of that conspiracy would be persons known and visible to the public. More probable is the view that the visible figures on the stage are the unconscious agents of a hidden hand.

Some readers may consider that it is utterly unwarrantable to publish such a document as the Protocols of the Learned Elders of Zion in the absence of proof of its authenticity.

To that the reply is that the enormous significance of the protocols is their fulfilment. Either that fulfilment is mere coincidence, which is incredible: either the

revelations were a clairvoyant precognition of events which is possible but improbable; or else their fulfilment is the result of action and policy deliberately pursued.

There is no other possibility. And if we reject the incredibility of coincidence, and likewise refuse belief in the diabolical malevolence of a plot, with what alternative are we faced? The only remaining belief for us is that the Protocols were accurate as a clairvoyant or prophetic vision of events, but are inaccurate in their prevision of the motive inspiring those events. And this seems the least credible solution of all.

Any book on philosophy will tell us that absolute truth is unknowable by human beings. Truth, for us, is merely the explanation that most completely fits the known facts. If the Protocols supply an explanation which fits the facts, is it not sheer folly to dismiss them as insignificant? Would not the writer in putting together this book to make his fellow-countrymen aware of the nature of the influences by which they are surrounded—would not he have failed in his full duty if knowing of the Protocols he had suppressed mention of them?

Such a conspiracy, if it exists, would appear to have its origin in Germany, and it would not seem that even there any more than a small section of the Jews need be parties to it.

Our concern is not with Jews as Jews, but with conspirators as conspirators, whether they be Jews, Christians, Mahomedans, or anything else. Our business is to discover the facts and to put ourselves in a position of security. If hatred has sprung from hatred, matters will not be mended by sowing further hatred. Nor will they be mended by closing our eyes and leaving policies conceived in hatred to run to some tremendous cataclysm. Furthermore, we must not forget that prominent in exposing and resisting the monopolistic and dangerous activities to which attention has been directed in these pages have been many public-spirited Jews themselves. If there is conspiracy, the conspirators are as regardless of Jew as of Christian, for in order to gratify their ambition they imperil their race. The frustration of any such design of world enslavement is thus the common interest of Jew and Christian alike.

CHAPTER XIII.

THE POSITION TODAY.

Our review of the causes of the slump in commodity prices is now ended. In the foregoing pages the reader has been given the facts so far as the author is able to discern them. From many sources matter has been brought together giving a composite picture of the course of events. It is now desirable that we should glance back over the path we have come.

We have seen how by enacting that debts can only be legally discharged by the handing over of gold, the leading nations of the world have suffered from periodic strangulations of their trade in consequence of a scarcity of the means of payment. Control of gold, under the gold standard, thus gives control over all other commodities.

We have seen that foremost economists, bankers, and commissions of enquiry, after careful examination of the facts have reached the conclusion that the present world-wide depression, and most of the great commercial crises since the beginning of the nineteenth century, have had their root in variations in the purchasing power of gold.

We have seen how in consequence of the huge accumulation of gold in the United States the policy pursued by the United States Federal Reserve Board now determines the general price level for commodities.

We have seen how, according to independent statements made by a number of responsible persons, the Federal Reserve Board deliberately created the post-war price inflation and boom, and deliberately created the ensuing deflation and slump. Nor is there any secret that the Federal Reserve created the conditions leading to the speculation of 1927 on the New York Stock Exchange, which speculation it next suppressed by ushering in dear money and the present slump.

We have seen how the Federal Reserve Board was created as the result of years of agitation by a German but newly naturalised as an American citizen.

We have seen that this man is the brother of the head of a great German banking-house, and who has been

described as virtually the financial dictator of Germany.

We have seen how this man, who created the Federal Reserve system, said to be predominant in American finance today, has worked strenuously against Britain in the war, and after its close expressed the opinion that whatever other nation might be let off lightly Britain must pay up.

We have seen how the war loan conditions were negotiated which delivered the British people bound hand and foot into the power of these controllers of American finance.

We have seen that the late British Ambassador to Russia records how during the war a German financier was corrupting a Russian Minister, and we have seen how in his memoirs the late editor of the London "Times" states that the creator of the Federal Reserve Board and his now-deceased brother-in-law and business partner were "akin to, if not identical with" the men who put the Bolsheviks into Russia, and we have seen how the Bolshevik revolution was led and by whom it was financed.

We have seen how a partner in this banking house of Hamburg has played an important part in the founding of the Bank of International Settlements which is designed for gold control of the world, and we have noted that this same financier is now chairman of the Financial Committee of the League of Nations.

We have seen how Britain was after the war forced back on to the gold standard as the result of pressure from the United States, and we have the opinions of high authorities that the policy of deflation consequent on this step has been mainly responsible for the terrible depression and unemployment from which Britain has ever since suffered.

We have seen how on Australia finding itself in difficulties consequent on this juggling with the value of money, the Bank of England sent as its emissaries to the Commonwealth gentlemen named Sir Otto Ernst Niemeyer and Professor Theodor Emanuel Gugenheim Gregory.

We have seen how the money taken from the American people during the recent stock exchange boom was used largely to finance German industry.

We have seen how a recent well-informed writer declares that war between Britain and America is more probable than war between America and any other power, and how concerns developing situations described by him as having potentialities of war are either German-Jew controlled or have strong German-Jewish associations.

We have seen how subterfuge and deceit were used to secure the passage of laws making gold the only legal tender for the payment of debts.

We have seen how the Federal Reserve System was put forward as a scheme to prevent financial stringencies, and how the instruction that the board use its powers to this end was struck out surreptitiously from the measure during its passage, and how determinedly the officials and members of the board have since resisted the placing in the law of any such instruction.

We have seen how Mr. Henry Ford conducted a campaign against Jewish influence in various directions deemed by him to be harmful, and how in 1927 as part of the terms of settlement of a libel action he made a retraction and abject apology. And we have further seen how his son, Mr. Edsel Ford, is now a partner and co-director with the creator of the Federal Reserve Board whose doings had formed a prominent part of Mr. Ford's exposure.

Finally, we have seen how in documents published in Russia in 1905, and summarised in the London "Times" in 1920, there was set out an alleged programme for world domination and the ruin and destruction of the Christian religion and the Christian national states. And we have seen how the course of events in the twenty-five years since that programme was published has provided a fulfilment of a great part of it.

* * * *

Are these things real, or are they a mere figment of the imagination, an unbalanced and hysterical placing together of facts that have no relation, a fantastic tracing of connections where there is no connection?

The answer is that the evidence is there and the reader must form his own conclusions on it. No one else can do that for him.

* * * *

If we accept it as a fact that the present gold control

of commerce and industry today is in the hands of men hostile, or at any rate wholly unsympathetic, to the British people and British institutions, what is there that we can do about it?

The first necessity is that there should bite and burn into our consciousness the words of the late Lord Bryce printed at the forefront of this book—words so vital that no excuse is needed for here repeating them:

“Democracy has no more insidious or persistent foe than the money power, to which it may say, as Dante said when he reached on his journey through Hell the dwelling of the God of Riches, ‘Here we found Wealth, the great enemy.’ That enemy is formidable because he works secretly, by persuasion or deceit, rather than by force, and so takes men unawares. He is a danger to good government everewhere.

“The truth seems to be that democracy has only one marked advantage over other governments in defending itself against the submarine warfare which wealth can wage, viz., Publicity and the force of Public Opinion. So long as Ministers can be interrogated in an Assembly, so long as the press is free to call attention to alleged scandals and require explanations from persons suspected of an improper use of money or an improper submission to its influences, so long will the people be at least warned of the dangers that threaten them. If they refuse to take the warning they are already untrue to the duties freedom prescribes.”

* * * *

Under modern conditions it is impossible to conduct a great newspaper without capital, and a considerable amount of capital. Like the rest of us most newspapers are in greater or less degree already in the toils of the money power. Even though entirely independent in their ownership, and free of external financial obligations—which few of them are—they are all dependent on advertising revenue, and any person of ordinary intelligence on studying a daily paper or magazine can perceive the great volume of advertising that is closely linked with high finance. To nothing have the financiers devoted more attention in America and Europe than to control of the press. Here again we have the opinion of that much-travelled and shrewd observer, Lord Bryce, as given in 1921:

"In every country unscrupulous wealth can by artificially 'making opinion' mislead and beguile the people more easily and with less chance of detection than in any other way."

* * * *

If the money power has a strangle-hold on the world today it is because the determination and persistence of the financiers who dominate it has been superior to the moral fibre of the world's nations and their leaders. The people have been misled, and their leaders have been either likewise misled or corrupted.

By guile and deceit, and based on human greed, sloth and stupidity, has the great and far-flung structure of the money power been built until today it controls the whole world.

From the standpoint of Christian morality, from the standpoint of morality embodied in any of the great religions, or in any recognised system of ethics, the power that today bestrides the world is wholly evil. Our conflict with that power is essentially a moral conflict. "The serpent beguiled me, and I did eat," said the mother of mankind on an historic occasion, and that is about all we can say of the mess we are in today.

What other result than that which has accrued could we expect after instructing our youth for the best part of a century in a system of vicious rubbish dubbed political economy in which greed is erected as the governing principle of conduct, in which human labour is treated as a commodity to be bought by capitalists in the cheapest market, and human beings themselves regarded as very little more than wealth-producing machines and chattels? "Moral considerations have nothing to do with political economy," said John Stuart Mill, one of its founders, and no one ever spoke a truer word of this monstrous "science," nor is it possible to have a more complete condemnation of it than is contained in this statement.

What other result than that which has accrued could we possibly expect from the enactment of laws decreeing that the sole legal means of discharging a debt is by the debtor presenting to the creditor a useless metal which he can neither eat, drink, nor wear (except for ostentation), and of which the total quantity in existence is so utterly insufficient for the purpose decreed that the whole

crazy system collapses in a heap every time anything serious happens?

* * * *

If astute financiers are leading us into a slavery of gigantic unpayable debt we are merely reaping the fruits of what we have sown. Usury, condemned by the religion we profess, condemned by all the ancient peoples of the world, we have made the very basis of our civilisation. By enacting laws making gold the sole legal tender we have created an artificial scarcity of the means of payment, and have thus made enslavement in usury the universal lot of mankind. Debt, which like poverty, should be the complaint of occasional victims of misfortune, is now the normal life-long state of all. The usurers today sit at the forefront of the banquet of life and rule our world. Aristotle, living two thousand years ago, very properly ranked them with the keepers of houses of ill-fame. Cato, asked what he thought of usury, replied by asking his questioner what he thought of murder. "Nothing is baser, nothing more cruel, than the usury of this world," said Chrysostom. St. Basil called it "the last pitch of inhumanity," and of the borrower's fate this Christian bishop of sixteen hundred years ago wrote:

"At first a man is bright and joyous; he shines with another's splendour. . . . But the money slips away. Time as it runs on adds the interest to its tale. Now night brings him no rest; no day is joyous; no sun is bright; he is weary of life; he hates the days that are hurrying on to the appointed period; he is afraid of the months for they are the parent of interest. . . . Usury is the origin of lying, the beginning of ingratitude, unfairness, perjury."

Forty years ago during a famous trial in France an eminent advocate, M. St. Audan, spoke as follows in defence of Jean Grave, charged with libel:

"St. Gregory of Nyssa, the immortal thinker of the fourth century, wrote these lines:

" 'He who would give the name of robbery or parricide to the iniquitous invention of interest would not be very far from the truth. What, indeed, does it signify if you have made yourselves masters of the wealth of another by scaling walls or by killing passers-by, or if you have acquired what belongs to you by the merciless method of the loan?'

"If anyone had prophesied to St. Gregory as follows :

" 'A day will come when that thou treatest as robbery and assassination will become the law of the world, and when an Attorney-General will indict in an assize court writers who share thy opinion. The whole of society will be founded on usury. They will build a temple which they will call a Stock Exchange. This temple will fill the place of thy cathedrals, even as thy cathedrals have filled the place of the temple of Venus or Jupiter. The priests serving in this new temple will be called bankers, stockbrokers and financiers. They will swindle others out of the gold that will ensure to them omnipotence. They will buy everything that is buyable, and some of the things that are not. And vain revolts against their frightful empire will serve only to make more manifest its terrible solidity.' "

"If anyone had prophesied that to St. Gregory, St. Gregory, who believed in God, would have joined his hands and cried: 'Lord, deliver us from such a moral malady!'

"The malady has run its course."

* * * *

It should be remembered that strongly as the Old Testament condemns usury, it is yet laid down that a Jew may lend to a Gentile on usury. "Unto a stranger thou mayest lend upon usury," says the twentieth verse of the twenty-third chapter of the Book of Deuteronomy. Upon thus doing unto others as they would not be done by have a section of the Jews of Germany built up their present enormous financial power.

* * * *

Practically all material wealth is perishable. If a man has more wealth than he can use it will go bad on his hands. **Unless he is going to lose it altogether he MUST lend it:** he must find someone who will undertake for the advantage of present use to replace it with a similar amount at a later date. If we had a sensible monetary system, by which wealth could be readily monetised, the lender would probably be found willing to pay a small fee for having this service rendered him, just as the banks today charge us a small fee for storing the 25 million pounds or so of our ready money they hold on current account.

The practice of usury must be judged by its fruits

when all is said and done. Has it made the world a better place? In New Zealand we have borrowed a lot of money. We have been borrowing for sixty years now. Public works have been built all over the country, but much of the money come by in this easy way has been squandered: if the undertaking costs double what was estimated, why worry! It is always easy to go back to the pawnshop and borrow more. Today we are paying more in interest on our public debt than we borrow, and if we had no debt we could spend about a million more on public works each year than we are doing by going on plunging headlong in the morass of indebtedness.

Moreover, we do not in the least know where we are with that burden of debt interest. Some years ago we embarked on a policy of hydro-electric development. This scheme means that instead of paying wages to New Zealand miners to produce coal to generate power and light we pay interest to financiers in London. Today that interest bill represents about double the number of bales of wool, double the quantity of meat, cheese and butter that it did when we borrowed the money. In future years what will it represent? None of us knows. Anything the money jugglers like to make it represent. If we had built those works out of revenue the probability is that we should have taken care to get a lot better value for the money, and even if the works had cost too much the matter would have been done with. As it is, we will probably pay several times over in interest what the work cost and still be owing the cost.

* * * *

"Startling as it may appear," wrote Mr. Arthur Kitson in "The Money Question," "it is nevertheless an easily demonstrated fact that, under the current rates of interest, the debtor classes of nearly all civilised nations are rushing into bankruptcy. The fact is that the wealth production of nations cannot keep pace for long with their interest charges. In fact, interest as a universal working principle is—at all ordinary rates—an impossibility. Five per cent. interest means a doubling of wealth every twenty years. At compound interest it is doubled in about 14½ years. . . ."

"Usury is always increasing more rapidly than wealth. It knows no period of depression, no time of stagnation, no failure of crops, no unfortunate speculations, no condition of ill-health and inability to produce.

It takes no holiday, and refuses even to keep the Sabbath. It forever goes on as regular as time, and as relentlessly as gravitation, counting and adding to men's burdens, piling them higher and higher, until the loan becomes too great, and there is a financial crash. No system of production has yet been discovered capable of maintaining this regular, never-failing supply which usury demands.

"All forms of wealth production are fitful, irregular, and subject to fluctuations. One season's harvests are abundant and the next a failure. This year's fruit crop may prove enormous, and the next spring's frosts may kill all the blossoms. The consequence is that though for a limited period production may make rapid progress, yet, like the hare and the tortoise, usury invariably overtakes and keeps ahead of production. . . .

"Every certain period there is a universal breakdown; panics and bankruptcy become world-wide; interest bearing wealth is swept away, and equilibrium is restored only after interest-bearing capital has been greatly reduced. . . . Startling as it may seem, it is an indisputable fact that panics, bankruptcies and failures are absolutely necessary in order to keep the system alive. . . . Usury, like gravitation, causes large bodies to attract and eventually absorb smaller ones. The small capital of individuals is being constantly absorbed by the greater capital of corporations. This is its inevitable tendency. The forces of attraction and absorption are as strong, constant and relentless in the monetary as in the physical world.

"'Usury,' says Lord Bacon, 'bringeth the treasure of a realm into a few hands.'"

* * * *

We have seen how Mr. Ford relates in his autobiography that bankers came to him in the post-war slump—a banker-created slump—and offered him a loan to help him through on condition that they were given charge of the financial end of his business. Mr. Ford was able to escape their clutches. In how many other cases, one wonders, were similar offers made, and how many producers were as lucky as Mr. Ford was on that occasion? That is a very real instance of how the tentacles of the money octopus reach out in a period of depression.

* * * *

What is the moral of this for us? In New Zealand we have taken to borrowing as a drug fiend takes to dope. Is there any limit to the mountain of debt which we individually, and our public men for us collectively, are willing to pile on our backs?

Interest charges are the real burden that is crushing down on us today. Yet this plain obvious fact is the last thing that we are willing to face. And when men get up and seriously suggest that the way to alleviate our misfortunes is to borrow more money no question is ever raised as to their sanity.

Even with money maintained at a stable level and controlled by financiers amiably disposed towards us, our ever-widening bog of debt would be a menace. With money controlled by interests inimical to us and subject to violent artificially-induced variations in value we are almost wholly in the hands of our enemies, and our utmost endeavour should be to avoid further debts and to reduce as far as we are able, and as rapidly as we are able, the mountain of indebtedness already on our backs.

The forces opposed to us are capable of action on a scale which, judged by our standards, is colossal. Many may suppose that in face of them our only course is to drift with the stream regardless of whether that stream leads to destruction or not. That is a counsel of despair. It is not given to mortals to command success, only to strive and fight on, to learn the lesson of past mistakes, and to make their failures the stepping stones to better things. A man who lives by running to the pawnshop until he has nothing left to pawn ends his career only in one place, and that is the gutter. The fate of a community which follows the same course must in the end be the same.

If there is a conspiracy against civilisation, it is a conspiracy of long standing, and those who direct it are content to achieve their objective step by step. If in danger of discovery they have only to ease monetary conditions for the time being to lull suspicion to sleep. In the end—be it soon or late—they will strike. The enslavement of Russia was not accomplished in a day.

CHAPTER XIV.

SELF-HELP THE ONLY WAY OUT.

In face of the economic crisis confronting us what steps are we taking or proposing to take to mitigate its effects? We read a lot in the papers about the need for "reducing the costs of production." To a large extent this phrase seems to be another name for reducing wages. So far as the farming community is concerned wages are a minor item in the annual expenditure. In an open letter addressed by the President of the Farmers' Union, Mr. W. J. Polson, to the Acting Prime Minister in November last, figures were quoted showing the annual expenditure on a 1,000-acre sheep farm and on a 120-acre dairy farm. In the former case wages accounted for £250 out of a total of £2,650; in the latter for £312 out of £1,395. The sheep farmer was shown as paying £1,290 in interest and the dairy farmer as paying £393, and this after the capital value of the dairy farm had been written down by half. In both cases the interest bill is decidedly the heaviest single item of expenditure. The committee of enquiry into dairy farming conditions recently set up by the Government has reported to similar effect.

There is not the least doubt that any attempt to mitigate the evils of the slump which ignores the interest burden is doomed to failure. Our trouble is that not only have we suffered a very serious reduction in the total of our national income, but that the proportions in which the income is distributed are all out of adjustment.

A maxim for the distribution of farming income that one sometimes hears quoted is: one-third for the rent (in New Zealand, mortgage interest); one-third for the farmer; and one-third back into the farm. In Chapter I we considered the position of a farmer who had bought a farm in 1925 at a figure which worked out satisfactorily on the above basis.

At the produce price level at which he bought the farm, the farmer out of every £100 of income, on his plan of expenditure had £33 for the rent and £67 for himself and to put back into the farm. With a fifty per cent. decline in the prices for his produce, instead of £100

coming in there would be only £50. Out of that £50 the same £33 would have to be found for the rent (mortgage interest), leaving only £17 for expenditures for which £67 had previously been available.

The price slump would be bad enough for that farmer even though all charges were reduced in proportion to the reduction in total income. With interest charges standing at their old level it is, of course, simply murder.

There is a perfectly practicable way in which this mal-distribution of our available income can be corrected. All that is needed is for the Government to decree that henceforth the gold content of the New Zealand pound shall vary according to the movements of the export produce price index compiled by the Government Statistician, taking, say, the 1925 index figure as par. The effect would be that the number of notes issuable against a given quantity of gold would vary as the price index moved up or down.

An enactment on these lines would mean that our pound would fluctuate against the British pound, but it would be a pound purchasing always the same amount of New Zealand produce.

We would make up a basketful of wool, meat, butter, cheese, etc., each in the proportion in which it figures in our production, and the whole basketful representing exactly what a British pound (113 grains of standard gold) would buy at the 1925 average price level, or whatever point we selected for stabilisation. Thereafter a pound would be our name for the amount of gold necessary from time to time to buy that basketful of commodities. In other words our pound would be constant in buying power and variable in gold. Today it is constant in gold but variable in buying power.

The practical effect of this would be if, for example, we had fixed our par point with the British pound at the 1925 level, and the general level of our produce prices fell 50 per cent. below the 1925 level, that our pound would be worth only 50 per cent. of an English pound.

We have seen the unhappy position of the farmer in our illustration above, who is faced with a 50 per cent. decline in his income as compared with 1925. How would he fare under the scheme sketched out above? He would receive for his produce sold in London £50 in English pounds for every £100 he had received in 1925;

but on exchanging that money into New Zealand pounds he would be given £100.

The farmer would thus have the available money to cover his interest charges, to put back into his farm, and to maintain himself and his family. He would have £33 in interest charges to meet out of every £100, and he would have the £100 out of which to meet it.

This would be the case with wage earners and most people right through the community. With export production at the same volume as in 1925 the quantity of money in the country would be the same as 1925. If production increased in volume the money would increase. If production declined in volume the money would decline in amount.

What we would really be doing by this plan would be rationing the gold money we got for our products in London. If the gold money due to us came to half of what it formerly was in consequence of a decline in prices, as we have supposed and as is pretty near the case, everybody's share of that gold would be automatically cut down to half.

All the time the gold content of our pound would keep on varying according to the amount of gold it took to buy our standard pound's worth basketful of export commodities.

These alterations would probably be made every two months or so by a board set up for the purpose, and the way it was to be done would, of course, be very precisely laid down by law.

The alteration at any one time would thus be very slight, and the whole scheme once established would work as simply and unobtrusively as putting on the clock for summer-time works.

So far we have looked at the scheme as it affects the exporter in a time of falling prices. It is time we thought about the importer.

With a produce price decline of 50 per cent. below the par point the importer buying goods in England for £100 in British pounds would have to find £200 in New Zealand pounds to pay for them.

At first glance this will seem disastrous for the importer. In reality it would not be. He would only be hit to the extent that the export produce index on which

our pound was based, fell below the general price level of the goods he imported.

If the prices of imported goods had fallen at the same rate as the gold content of our New Zealand pound had varied the importer would be in exactly the same position as in 1925. His prices would remain round about the 1925 level, his customers would be just as able to pay those prices as in 1925, and the importer's ratio of profit would be the same.

The importer, as a matter of fact, would be very much better off than he is today, for instead of a wholly disproportionate amount of the national income going to the moneylenders, as is now the case with our shrunken national income, the amount of free spendable income in the hands of his customers, the public at large, would be much increased.

What is killing trade is clearly seen if we look at the case of the farmer who in 1925 out of every £100 of income had £33 tied up in interest charges and £67 spendable. With only £50 coming where there was £100, and with £33 still going out for interest it means that the spendable balance is down to £17—a decline of 75 per cent. in the farmer's spendable money, whereas the farmer's total income fell only 50 per cent.

The above figures show pretty clearly that from the importer's point of view things are half as bad again as they would be under the plan suggested.

It may be said that the excessive share of the national income now drawn by the moneylenders is still in the country. But a great part of this interest payment goes to wealthy people, and an increased expenditure by a few people on luxury articles is no compensation for the loss of the widely distributed spending power of the people as a whole.

If the fall in import prices was less than the fall in export prices on which we based the gold content of our pound, the importer would, naturally, suffer to that extent. But that would be a condition in which it was essential as a matter of public policy to restrict imports to balance our national overseas trading account.

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This plan would have a number of other advantages at the present time. Some of these advantages are as follows:

It would make New Zealand an attractive place of residence to persons with fixed incomes. Civil servants in India, etc., and other such persons would probably be much attracted by the idea of residence in New Zealand on retiring on pension if they could exchange an annual pension of, say, £400 British pounds for £800 New Zealand pounds. It would be all to our advantage to have such people here eating our produce on the spot.

The favourable exchange would also have its effect in attracting tourists.

Another effect would be to give a great stimulus to gold mining, and as gold is the one commodity which our overseas creditors will accept in fixed and unchanging quantity in discharge of our debts, the more we can produce of it the better.

The more stabilised internal price level would also be a great assistance to manufacturers and give a valuable stimulus to our secondary industries. And here it may be emphasised that the bigger a town population we have the more prosperous will our farmers be.

This latter statement is not in line with the thought of many who treat the growth of the towns as a matter for concern. Our farmers would have to live in a very barbaric state if there were no town populations to purchase their products. Not having a town population of our own to do this we have to seek out town populations on the other side of the world in order to dispose of our produce, and have to go to great expense to transport it. It would be much more to our advantage to cut out those charges and have our consumers on the spot. Also, we have spent a great lot of money on developmental public works without having got the development. We need more population to right this, and bring per capita overhead charges for our national undertakings down to a more reasonable figure. The plan outlined above makes it easier for people to come here, not, of course, that the writer suggests that we should start bringing people into this country while we have the ridiculous spectacle of men wandering about New Zealand looking for work in a country where so much requires to be done. That is the first mess we have to set ourselves to right. And the way to right it is to set to in earnest on our money muddle.

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The plan outlined above is not a fancy creation of the author's. It is known as the Irving Fisher Compensated Dollar Plan. This plan was put forward as far back as 1911 by Professor Fisher, formerly Professor of Economics at Yale University in the United States, and has been under criticism ever since. Its technical details will be found fully set out in the 300 pages of Professor Fisher's book, "Stabilising the Dollar," published in 1920. More briefly it is discussed in Professor Fisher's later book, "The Money Illusion," published in 1928.

The Fisher plan was considered by New Zealand's now defunct Board of Trade in its annual report for 1919, when it was seeking a remedy for the great fluctuation in the value of money brought about after the war. After a lengthy review of the Fisher plan the Board said:

"So hopeful does Professor Fisher's suggested remedy appear to the Board that we earnestly recommend it to the serious attention of the Government."

So far from getting the serious attention of the Government the Fisher plan seems never to have received any attention at all.

Sir Josiah Stamp, one of Britain's foremost economists and a director of the Bank of England, has expressed the opinion that Professor Fisher represents the "best informed opinion" on the subject of money.

In an article published in the "United States Banker" for January, 1929, Professor Robert H. Tucker of Washington and Lee University, wrote of "Our Unstable Standard of Value." Declaring the Fisher scheme of money stabilisation to be the most complete and thoroughgoing of any put forward, Professor Tucker said:

"It is not a panacea, or a substitute for economy or for efficient management. It is not a guarantee of a perfect system of distribution. But, as has been pointed out, it would reveal the facts, instead of obscuring them, as the present unstable dollar (pound) obscures them, and directly or indirectly accomplish more than any other reform proposed in the world today."

Sir Josiah Stamp's opinion is very similar as to the urgency of action: "Everything," he says, "depends on whether our combined and international wisdom can

master the next stage of monetary science. Certainly the old ideas and practices will no longer serve. I have long said that a new development in monetary knowledge is the most important single problem of our age—more important than unemployment, industrial peace, or capitalism, because fundamental to them all.”

After twenty years of criticism the Fisher plan—it is really much older than Professor Fisher, for you will find the rudiments of it in Professor Jevon’s book on “Money” published in 1870—and in many other works of foremost writers—this plan still commands the attention of all writers on monetary policy. Everything has been done with it except try it.

People may say, “Oh, yes, it is a very nice idea, but quite out of the question for New Zealand to think of doing anything about it on its own account.” This is not the idea of Professor Fisher. In a letter written in response to enquiry by the present writer under date of October 14, 1930, Professor Fisher said:

“You ask me if I think New Zealand could undertake to put into operation the ‘compensated money unit plan’ without reference to any other countries. I would reply that I think she could, but that it would be very much better if she could induce the nations of the British Empire to adopt the plan at the same time.”

That is clear enough. Undoubtedly it would be much better for the rest of the Empire to adopt the plan with us. But we will get nowhere if we wait for that to happen. We need immediate present relief. The best way to induce the rest of the Empire to fall into line is to make a start here, and let them see for themselves what the plan is like in operation.

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Various plans for stabilising money have been put forward of recent years. The late Professor Lehfeldt of South Africa, for instance, advocated international control of the world’s goldmines in order to dig gold, even at a loss, so as to increase the supply. The money interest diligently talks of universal central banking as the way to stabilisation. This was what the money power told the people of the United States when the central banking swindle was put across in that country. They have put central banking across in Europe with the Bank of International Settlements, which Sir Otto

Ernst Niemeyer has told us is the hope of the world. A Central Bank Bill is in course of being pushed through the Commonwealth Parliament at the time of writing. As for New Zealand, the two emissaries of the Bank of England, Sir Otto Ernst Niemeyer and Professor Theodor Emanuel Gugenheim Gregory, were strongly of opinion that we also should have a central bank. We shall be wise people if we have nothing of the sort while money is under its present control.

Perhaps some of our learned economists who advocate central banking will tell us why if it failed so ignominiously to provide the promised stabilisation in the United States any better results are likely to be secured by establishing it elsewhere?

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It is quite possible, of course, that the Money Power may really intend to use central banks to stabilise money. For example, it might make money still dearer even than it is today, and then stabilise it on this depressed price level for all time, or for a sufficient time to bankrupt the British Empire and every component part of it. Of course there would be enough "senseless phraseology" spoken and printed to bewilder the public and to have some of our local financiers and pedants falling over one another to lick the boots of those who were about to destroy us.

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There was recently formed in the United States a Stable Money Association. This association announces in issue No. 3 of its bulletin, "S.M.A. News Service," under date of April, 1930, that it is "the advocate of no specific solution." Its object is to direct public attention to the problem, and to promote research and discussion.

It is obvious, of course, that an association which advocates no specific solution can itself get nowhere. You have got to do something in particular if you do anything at all. And a body of men assembled together and pledged to do nothing in particular on a vital problem is not exactly an inspiring spectacle.

The president of this association is Mr. F. A. Delano, deputy chairman of the Federal Reserve Bank of Richmond. Among the vice-presidents are Mr. Otto H. Kahn, partner in Kuhn, Loeb and Company; General G. C. Dawes, for nearly thirty years head of the Central Trust Company of Illinois; Mr. F. H. Sisson, vice-

president of the Guaranty Trust Company of New York; Mr. Owen D. Young, head of the General Electric Company; Mr. Charles Evan Hughes, formerly United States Secretary of State and later attorney for the Standard Oil Company and similar interests.

The above is but a selection from a list which includes eminent and distinguished persons of all nations. The connections of the above gentlemen can be instructively checked up with the list of concerns reported by the United States Money Trust Commission as constituting a peril "far greater than the combined danger of all existing combinations."

It is quite obvious that although the Stable Money Association is pledged to advocacy of no particular solution of the money problem, nevertheless a great many people interested in the problem and anxious to advance some definite plan will get into touch with it. The members of the association will thus be widely informed of movements for money stabilisation all over the world. People who are planning action and propaganda will doubtless rush eagerly enough to tell it what they are thinking of doing and to ask for its support. If, as the Money Trust Commission reported in 1913, a Money Trust then existed in the United States, and if the concerns listed as constituting that trust are still in combination today, then, it is obvious, all this advance information about contemplated moves for monetary reform in different parts of the world should be very useful indeed to it. And it would seem unlikely that any policy adopted by the Stable Money Association will be injurious to the money power so long as gentlemen associated with that power are among its office-bearers. And another question is whether what is advantageous to the money power is likely to be in the least beneficial to the rest of us.

Conundrums like these we must answer for ourselves, but it is wise to ponder them before expecting much in the way of help from the Stable Money Association of New York.

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There are critics who contend that even Professor Fisher's scheme will not get us very far, and that we can never get far until we abandon gold. Sir Josiah Stamp in his foreword to Professor Fisher's "Money Illusion" said the next ten years would probably show whether

gold was to remain predominant; whether it was to retire to a secondary place, as in the Fisher scheme; or whether we would have to get right away from it altogether. Mr. Reginald McKenna, in his 1925 address as chairman of the Midland Bank, pointed out that theoretically no particular advantage attached to gold as a monetary standard. Its advantage simply is that gold has become a fetish. "So long as nine people out of ten in every country think the gold standard the best, it is the best," he said. In our grandparents' day no doubt a physician could just as soundly have declared, "So long as nine people out of every ten think bleeding the best cure for disease it is the best cure." After innumerable patients had died from the loss of blood consequent on venesection, cupping, and the application of leeches, the public and the physicians gradually came to a knowledge that the cure was worse than the disease. Today the orthodox are as ready to die by the gold standard as their ancestors were to pay money to the doctor to bleed them to death. It was a very respectable ending, and well worth the money, no doubt.

In a speech in Congress in 1913, Mr. Charles A. Lindbergh, of Minnesota, declared that there was a catch in the Fisher stabilisation plan. It is not too clear from Mr. Lindbergh's speech just where the catch is, but his grounds for thinking there is one are worth noticing. The Fisher plan had then been only two years before the public. It had received nation-wide publicity, and this fact in itself made Mr. Lindbergh suspicious of it. He said:

"If he [Professor Fisher] had not proposed to standardise the gold dollar his proof that it is not an honest measure of value would have received no publicity greater than he and his friends and a few others could give it. It would have been ridiculed if he had not proposed a remedy that suited the interests, for the money sharks demand some measure that is favourable to them and not fair to the people."

Apart from getting away from gold altogether—the best plan if public opinion were ready for it—the Fisher plan does, however, appear decidedly the most hopeful of current plans for money stabilisation.

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Before we leave this part of the subject it is worth

noting that several partial adaptations of the Fisher plan have been suggested in Australia. "Ex-Banker" in a column article in the "Sydney Morning Herald" of August 21, 1930, suggested that the Australian exchange on London should be varied according to the price of wool, as being the most important of Australia's staple products. In view of the extremely violent fluctuations in value to which wool is subject its importance to the community would have to overshadow that of every other commodity to make it alone an acceptable basis of monetary regulation.

In November last Professor D. B. Copland, of Melbourne University, in a lecture recommended raising the exchange on London to give Australia a breathing space. The exchange is at present arbitrarily fixed by the banks, and as Professor Copland, in such reports of his lecture as the writer has seen, did not suggest any more than a further arbitrary variation in the rate with no definite basis of regulation. his plan if correctly set out, becomes merely a temporary expedient of rather a dangerous kind.

Mr. C. H. Wickens, the Commonwealth Government Statistician, was reported in November as proposing something very like the Fisher scheme. "To obtain an equitable price level," he is reported as saying, "regulate the currency so that when the price level falls the issue is increased, and when the price rises currency is restricted."

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The foregoing shows us that there is nothing to stop us from putting our monetary affairs into much better shape than at present. Nothing, that is, except ignorance and timidity. Any sensible steps would, of course, be hotly resented by the money interest and would provoke a great hubbub, and a great lot of rubbish would be trotted out in an endeavour to scare and terrify people from interfering in any way with the operations of the money power. When the Almighty endowed human beings with brains it was presumably intended they should use them. If we leave our brains behind us and continue to allow "experts" so kindly provided by the moneylenders to go on regulating money solely in their employers' interest we get the result that we deserve—and are asking for. If we wish to make our country worth living in we will, on the other hand, lose no time

in extricating ourselves from this particular bog.

Our salvation lies in doing things, not in talking, arguing and wrangling about what we shall do. At present we talk and flounder while the money interest acts with silence and certainty. We are like people who squabble all day about the particular brand of insect powder to use to rid the house of vermin. In every remedy advanced the money interest will pick holes and discover defects. If we wait for the perfect remedy we will wait for ever. The Fisher plan is practicable and capable of immediate adoption.

CHAPTER XV.

THE BASIS OF SECURITY.

The land is the basis of all wealth, and if the farmer lives in a state of insecurity it is impossible for the rest of the community to be secure. With the farmer up in the air financially, everybody else is up in the air, and particularly so in a country like New Zealand. This fact was very clearly recognised by the ingenious concocter of the "Protocols of the Learned Elders of Zion," whoever he may have been. It was obvious to him that to make the money power supreme over the community the landed interest must be kept at its "lowest possible ebb."

If the people live in freedom on the land they will still be secure even though the moneychangers have turned the temple into a den of thieves. It is thus of vital importance to the money power to entrap the tiller of the soil and the husbandman in the toils of debt.

This has been very completely achieved in New Zealand. Half a century ago a Conservative Minister of Lands told Parliament that the only alternative he could see before the farmers of New Zealand was to be either the tenants of the moneylenders or the tenants of Crown.

Crown tenancy is of no use at all to the money power as it cannot take away the land by enticing the farmer into debt—not that he needs much enticement, for going into debt has become as natural to a New Zealander as sucking in his mother's milk. For some years we did have Crown leaseholds that were inalienable, but the moneylending interest soon saw to it that these leases were done away with.

One current proposal is to alleviate the farmers' distress by de-rating rural lands. It may be well-intentioned, but what is its effect? It means that in order to enable the farmer to go on paying his interest bill he is to be relieved of payment of local rates. The money for these rates is to come from some other source, this source being the towns. The proposition is thus that the townspeople shall be roped in to pay the farmers' rates. Boiled down it means that the townspeople as well as the farmers are to be forced to work for the farmers'

mortgagees, and are to be robbed of their earnings in order to keep up the value of the mortgagees' security. With no rates the land will be worth more to the mortgagees than before, but the let-off in rates will not suffice to save the farmers. They need a lot more help than that.

What the farm mortgage total is is not very clearly revealed in New Zealand statistics as no complete figures are collected. Figures published in the Government year book for 1930 deal with the mortgages as shown in 40,494 rural land tax returns. These holdings total 23,418,000 acres of an unimproved value of £148,130,000, and the mortgages on them amount to £109,789,000. The capital value is not given, but the total unimproved value of all rural land is £221,000,000 and the total capital value is £351,000,000, or roughly half as much again as the unimproved value.

So far as they go the figures indicate that the whole of the rural lands of the Dominion are mortgaged to about half their capital value as shown on the Government valuation roll, all except a small fraction of such valuations having been made prior to 1926. If these capital values are written down by half we have the position that the mortgages equal the whole capital value of the rural land in the country and that the farming population has just about no equity at all in the land it occupies.

Of course not all the farmers are in the same boat. The little men are in up to their necks, about 20,000 of them having mortgages of £1,000 and more per £1,000 of unimproved value, Government valuation. One whole group of these small farmers, for instance, is shown with £1,412 per £1,000 unimproved value round their necks.

The greater part of the land in the country is still occupied in very large holdings, and many of these large holdings are clear of mortgage. A regrettable feature of the official figures is that no clue is given to the number of holdings that are unencumbered. Anyway, pretty well right through the piece the rule is that the more valuable the holding the smaller the average mortgage per £1,000 of unimproved value, the biggest class of land holders coming down to £30 per £1,000.

The figures indicate quite clearly that if anything at all is to be done to help the farmer it will only be done

by getting him out of this bog of debt. In cold, hard fact there is nothing to stop us from doing this. Nor can we get our country into any sound state of prosperity until we do it. What we lack is the will to act.

The steps that require to be taken to put our farmers in a position of security are really quite simple in principle. One perfectly workable plan is set out in the "Rural Report of the Liberal Land Committee, 1923-25," issued by the British Liberal Party, and published by Messrs. Hodder & Stoughton, Ltd., at the modest price of one shilling net.

In the 584 pages of that report is embodied a mass of invaluable information on the land question, and an exposition of the grounds on which the policy adopted is founded. That policy was designed to give the tenant farmers of Britain security in the possession of their holdings and an equitable return for their labours.

Our problem can be solved by exactly the same means. The needs of our farmers are the same. The English problem is private landlordism. Our problem is mortgaged freeholds, which is merely disguised landlordism. Where they have rack-renting in Britain we have overmortgaged freeholds.

Our system is more vicious than the British system, for whereas a tenant-farmer there who is turned off through failure to meet his rent loses all the labour he has put into the farm, with us the farmer turned out by his mortgagee loses all the capital he put into buying the farm, as well as his labour in improving it. When land values slump there is no share and share alike under the moneylenders' system. The farmer is stripped of everything he owns on the farm or off it before the mortgagee loses so much as a brass farthing. The man who has not lifted a hand in labour gets all, the toiler and producer loses all.

The British Liberal Party land programme is based on the fact that in English law no subject can acquire an absolute title to land. The greatest interest in land which a subject can have is a tenancy in fee simple. In former days that tenancy carried duties and obligations. These were gradually whittled down to nothing. The Liberal policy proposes that upon an appointed day the Crown shall resume its rights.

Upon this taking place the State will have the right

to transfer any farming land to any person competent to use it to the advantage of the community as a whole.

Every tenant holding will be forthwith transferred to its then tenant (if a competent person), who will hold it in Cultivating Tenure. The land will be valued at its true farming value, a rental upon this value assessed, and the Crown will pay to the former private landlord an annuity corresponding to the rental fixed, less administrative charges.

This means that the private tenants of Britain would automatically become Crown tenants. The rentals fixed would remain unaltered so long as there was no break in the tenancy, and the tenants would have the right to transmit to heirs within specified degrees of relationship, such heirs to be competent to farm the land. The tenant would also be permitted during his lifetime to transfer the holding to a person within the same degree of relationship, but no payment by way of rent or its equivalent to the transferrer would be allowed.

A Cultivating Tenant would also be permitted to surrender a holding at any time, and upon such surrender would have a right to full compensation for the fair value of improvements made by him. On the death of a tenant without heirs competent to farm the land the value of the late holder's improvements would be paid to his estate.

All farming land occupied as freehold by a bona fide farmer on the coming into force of Cultivating Tenure would be left in the hands of its occupier, subject to the State having the right to secure the proper use of the land for productive purposes. An occupying owner would have the same rights of bequest as a Cultivating Tenant. If he wishes to give up his holding at any time, or if he dies without an heir competent to farm it, the State has the right of pre-emption.

The part of the policy of especial interest to us in New Zealand is the provision that the State shall be under an obligation to take over the holding of an occupying owner who requests its transfer to Cultivating Tenure. In this case the occupier after being approved as competent to farm the land, is offered it at a rental assessed as in the case of Cultivating Tenants above, and an annuity is paid for the land to him as owner, the annuity being the amount of the rental less administrative charges.

Obviously an occupying owner would have nothing to gain by such a transfer to Cultivating Tenancy provided he had an unencumbered holding. If this land was mortgaged to an amount in excess of its net rental value he would, of course, have everything to gain by transferring to Cultivating Tenancy. Such a provision in our New Zealand law for the conversion of freeholds to State tenancy would offer a door of salvation to innumerable farmers, and save this country from its present drift into the same private landlordism that destroyed the yeomen of England, and reduced agriculture in that country to its present pitiable condition.

The objective of the whole policy is to bring the financial demands upon the farmer within his capacity to pay. The report says:

"Depression can be relieved only by relieving agriculture from the weight of false values. False values can be eliminated only by refusing to recognise them and making their reappearance impossible."

That is precisely the problem we have to face in New Zealand. The British Liberal Party land policy of 1925 offers a perfectly just and feasible way of stripping off fictitious values without dispossessing competent farmers. Our present system offers no way but to break the backs of the farmers for the benefit of moneylenders.

The British Liberal policy means that where land has been over-mortgaged those who advanced excessive amounts on it, or sold it for a fictitious value, will have to bear the loss. This is no more than justice. As the Liberal reports says:

"No wise advisor of investors would encourage a mortgagee to risk an amount greater than two-thirds of the present real value. Mortgages beyond this amount must be regarded as highly speculative. The ever-present possibility of recent years that the State might raise additional revenue by specialised land taxation has been an additional reason for caution on the part of mortgagees. When the system of cultivating tenure is instituted it will be possible to ascertain the extent of mortgages on agricultural land, and it would, in our opinion be reasonable to indemnify first mortgagees up to a reasonable limit. . . ."

"This problem had, of course, to be faced under the Irish Land Purchase Acts. Under those Acts owners are

entitled to sell their lands without obtaining the consent of their mortgagees, but except where the sale prices are fixed by the Acts, the mortgagees get notice of the purchase prices and can object to them if they are shown to be inequitable. Mortgagees receive notice of the proceedings for sale, and, when the purchase money has been advanced and lodged in Court for distribution to the parties who may be found legally entitled thereto, the mortgagees attend and prove their claims before the Examiner, who investigates the title. The claims are paid out of the purchase money in so far as the money is available to meet them. . . .

"We do not believe that many cases of hardship would arise. In any case such hardships cannot be weighed in the balance against the present accumulated hardships of rural life, and the present danger to national stability, and great nations cannot be deflected from pursuing great policies by the possible grievances of problematical minorities. Whatever, for instance, may be the case for or against Prohibition in the United States, no one would argue that the interest of persons who had mortgages on drink-trade premises should have been allowed to tie the hands of the American nation"

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A most important point in the British Liberal Party policy is the method of payment for the land. This is set out in clause 245 of the policy, as follows:

"The landlord's annuity shall be, in principle, perpetual. But the State may make such arrangements as are equitable, by sinking fund, drawings or other means, to redeem the annuities at any time in any way equitable to all parties. The annuity shall be paid in income bonds or in such other way as is necessary to enable the recipient to realise its value at any time in the open market."

The essential thing is that the State can conduct the scheme without recourse to borrowed money. But it may, at its convenience from surplus revenue, or by any other means, buy in the annuity bonds on equitable terms. There is, however, no obligation on the State to redeem the annuities.

Under the Irish Land Purchase Acts passed by the British Parliament the mortgagees were paid in cash.

Since the Irish Free State took over the payments have been made in $4\frac{1}{2}$ per cent. Land Bonds.

It will be contended by many that unless the mortgagees are paid in cash or in bonds which the State undertakes to redeem at a given date, a great injustice will be done them, and that an irredeemable bond, or a bond redeemable at the option of the State, is a very inferior substitute for cash and its offer to the mortgagees a gross breach of faith. A little reflection, however, will show this not to be the case.

Every person who invests money on mortgage lays out a given sum of cash in return for a fixed annuity. That annuity is derived from the annual produce of the land. The sole value of rural farming land lies in the periodic yield of material wealth by the application of labour. The cash laid out by the mortgagee gives him a claim to an annual cash payment, derivable from the produce of the land.

What happens when the mortgagee wants to recover his principal sum advanced? His sole expectation of recovery lies in the belief that either his mortgagor or some other person will be willing or able to pay down a lump sum of cash in order to secure the annuity cash payment to which the mortgagee is entitled. The mortgagee has no absolute guarantee from any source that such a payment will be forthcoming. He takes his chance of being able to discover some other person who will give him a sum of money equal to that invested by him in return for the annual payment due to him. It is true that in addition to land itself the mortgagee has a claim over such other assets as his mortgagor may possess.

Under the proposed scheme what would be the position of the mortgagee? The State-issued annuity bonds given him would be a vastly better security than he now has. They would be secured over all the lands of the Dominion instead of only over one farm. Their income would be infinitely more certain.

If at the same time the State undertook to redeem the bonds for a given cash sum the State would be putting the mortgagee in a much superior position to that which he occupies today. The whole resources of the State would be put behind both his annual income from his mortgage and behind the repayment of the capital sum.

There is no warrant whatsoever for giving the mortgagee more than he is entitled to at present.

The position is amply met if the State pays out income bonds backed with the State guarantee of a perpetual annuity and leaves the mortgagee to dispose of these in the open market whenever he wishes to recover his principal.

To say that the annuity bonds, although backed by the credit of the community as a whole, are not going to be saleable, is to say that the surplus wealth seeking investment is going to dry up or decline. So long as there is surplus wealth in the community its owners must lend it. They have no option in the matter. If it remains idle on their hands it either deteriorates and perishes or at best produces nothing. In either event it ceases temporarily or permanently to have value. To maintain its value its holder must invest it. No investment for that surplus wealth can offer better security than one that is backed by the credit of the State. So long as there is surplus wealth seeking investment the present cash value attaching to all forms of security depends on the degree of certainty attaching to the income to be yielded. If that income is uncertain the security declines in value, no matter what its face value or however assured the ultimate repayment of the principal sum.

People do not buy Government stock maturing in fifty years time because they expect precisely at the moment of maturity to have a use for the principal sum they have invested. They buy Government stock because its absolutely assured income makes it at all times the most saleable of securities. Its present value depends on the demand for such assured income.

Here, for instance, is what a formerly well-known financial writer has to say about irredeemable stocks. The extract is from Mr. Charles Duguid's little book, "How to Read the Money Article" (Effingham Wilson, 1901), pages 55-56:

"A redeemable stock, of course, is one which will be paid off: in which our investment must sooner or later cease. We shall go on drawing our interest until the date of redemption, but when that date arrives our capital will be paid back. However much we may desire to continue, however convenient it is to receive the nice

steady income from the interest payable on a certain day, we shall be obliged to take our money back and look out for a fresh investment. Nearly all corporation stocks are in this redeemable category; the Government now makes our municipal authorities pay back their loans within a certain time.

"Irredeemable stocks are, of course, exactly the opposite. Upon these the borrower goes on paying interest for ever. Or at all events interest is paid until the stock can be bought back in the market, or until terms can be arranged with the holder. Corporations which long ago issued irredeemable stocks have sometimes regretted their policy. Finding they can borrow money more cheaply than at the rate they have to go on paying, they endeavour to rid themselves of the burden. But for the very reason of their improved credit, or even because of the high rate of interest they undertook to pay for ever, the stocks are tightly held. . . ."

The above extract is interesting in that it shows an experienced financial writer dwelling not at all on the disadvantages to the holder of irredeemable stocks, but on possible disadvantages to the issuer.

The objections likely to be raised to the payment of mortgagees' claims by annuity bonds have been dealt with at some length as they will probably be the principal objection put forward against the plan proposed. The objection is not one that can be sustained against the very positive advantages to be gained by the community as a whole.

In the plan outlined in this chapter we have a simple and entirely practicable means of placing the farmers of New Zealand in a position of security. It is not a plan emanating from any wild party of revolutionaries, but is the sober, considered policy put forward five years ago by the British Liberal Party. Our depression can only be relieved and production cheapened—an essential preliminary to any return to prosperity—by stripping fictitious values from the land. To let things take their course means that with a continuance at the present price level we shall simply sit back and see the greater portion of the active producers of this country ruined and stripped of all they possess. If so monstrous a wrong can be averted we are less than men if we refuse to save these people.

CHAPTER XVI.

CONCLUSION.

The remedies proposed in the two preceding chapters go hand in hand. The second would be dangerous without the first, and the first would be incomplete without the second. Taken together they offer an immediately practicable means of relieving the acuteness of the present depression and of placing our country in a position of relative security. Both these steps are of the utmost importance to the entire population of the Dominion for they go directly to the root of our troubles.

Instead of a multitude of re-adjustments, the whole of which will be again dislocated immediately another variation in the purchasing power of gold occurs—and such variation is highly probable—all that we require is the passing of two laws, both quite simple in principle.

The first will enact that the gold content of our pound is to vary according to the movement of the export index number, the average figure for, say, the year 1925, or some other suitable point, being taken as par. The intervals at which the adjustments are to be made will be prescribed, the exact manner in which the index number is to be calculated will be laid down, and a small board will be set up to certify to the accuracy of the index figure. The board's task will be important, and it would be well to have represented on it the various interests affected as far as practicable, say, one representative each of the banks, the Chambers of Commerce, the Farmers' Union, and the Trades and Labour Councils.

The second law will enact that any farmer on making application, and on being certified by the Land Board as competent, will be given the option of having his freehold converted into a Crown lease. The land will be valued at its true productive capacity, and the basis on which the valuation is to be made will require to be very carefully set out. The farmer will be offered the holding at a rental based on this valuation. The land will be paid for in Government land bonds yielding an income equal to this rent, less administrative charges.

Mortgagees will receive notice of the proceedings and their claims will be met by the allotment of the land bonds to them in so far as the bonds are available to meet the claims.

* * * *

Neither of these simple proposals can be dismissed as impracticable. The first is the embodiment of a plan advanced by a man who has a world-wide reputation as a first-class authority on monetary matters. As has been stated, the author holds a letter from this gentleman, Professor Irving Fisher, expressing the opinion that it would be quite practicable for New Zealand to adopt the plan independently of other countries.

A prominent director of the Bank of England in a private letter to the author has stated:

"You have asked me specifically whether I think there would be likely to be any support from the London end for an experiment in New Zealand something on the lines of the Fisher plan. The whole outlook has been so uncertain during the past two or three months that it has been difficult to make up one's mind with any definiteness on this question. At the moment, however, my feeling is that the experiment would not be supported. Of course, often there is theoretical objection to a cause which, the moment it becomes urgent from a practical point of view, is waived, and I have been unable to make up my mind how far people in authority would, if pushed by emergency, agree to internal stability with high fluctuation in exchange rates. There is no question, however, as to the general view in London against this course, and they are still fumbling after obtaining stability in the value of gold and are not prepared to consider the remedies that may have to be looked at if such instability is chronic."

The author desires to direct attention to the portion of the above letter which he has put in heavy type. If ever a country was pushed by emergency New Zealand is today, with the Hawkes Bay disaster coming on top of the worst slump in its history. Coming from such a quarter, the letter cannot be regarded as other than most encouraging.

It has to be remembered that the Fisher plan will not in any way affect our external liabilities. It is simply an internal redistribution of the national income. As our

external creditors will not be thereby affected they would thus have to show themselves of a malevolent disposition if they sought to punish us for making this experiment. Opposition from the London end would simply be an indication that the Money Interest there is determined to prevent the people of any part of the British Empire freeing themselves from their present slavery to gold. If such is the fact, which the author would be sorry to believe, the sooner it is disclosed the better for the whole Empire.

* * * *

The second of the two enactments which we will require to frame can no more be dismissed as based on the theories of wild revolutionaries than the first. It is the considered policy of the British Liberal Party adopted after years of investigation of the land problem. Before the war the Land Committee of the Liberal Party put forward a land policy consisting merely of a wide variety of palliatives—the sort of thing with which we are so familiar in this country and which gets us nowhere. After the war it took a more courageous line, and the policy of 1925 was the result. The handbook in which the whole question is examined and the policy set out is one of the finest expositions of the land problem in existence. The fact that a most determined, and successful, effort was made to defeat the British Liberal Party at the elections next following its adoption of this policy in no wise detracts from its value. Any proposal which prefers the interests of the people to the vested interests of a powerful minority must expect such resistance. And the greater the measure of justice it gives to the people the more violently will it be resisted, and the more contumely will be heaped upon it through the innumerable agencies and channels that Wealth commands.

No greater boon could be conferred on the people of New Zealand than the enactment in its entirety of a land policy on similar lines to that embodied in the British Liberal Party programme of 1925. The writer proposes nothing so revolutionary at the moment. He directs attention solely to one portion of that policy as a means of securing immediate relief in the emergency which now confronts us.

We have already given Crown tenants the right to convert their formerly inconvertible tenancies into freeholds. About a third of the holders of leases in perpetuity

have converted their holdings to freehold, in many cases with disastrous results to themselves. It is time we worked the machine in the opposite direction. The proposal outlined is the only equitable and practicable means the present writer has been able to discover which will accomplish the most urgent thing required today for the liberation of the people of New Zealand, namely, the stripping of fictitious values from the land without the complete ruin of the people on the land. Those who oppose it must either put forward a better way of achieving this end, or else reveal themselves as indifferent to the ruin of the farming population of the country, as not a few have done in published statements in the press. A monopoly value has been put upon the land, and those who would gain access to the land have been forced to pay that price. Now they are told they must pay the penalty of their folly. That is a typical line of thought finding daily expression in the newspapers. Those who advance it apparently affect to believe that the farmers of New Zealand have gone about insisting on the sellers of land accepting more than the land was worth. How much truer are the words of the British Liberal Land Committee, already quoted:

"Depression can be relieved only by relieving agriculture from the weight of false values. False values can be eliminated only by refusing to recognise them and making their re-appearance impossible."

Finally, it cannot be too strongly emphasised that the scheme outlined would be dangerous in the extreme if embarked upon without stabilising our currency in relation to the export produce price level. Under the unstable gold standard it is impossible to value land in terms of money. Only the other day the writer saw valuations made for mortgage purposes in which the value of sheepfarming country was worked out on the basis of wool fetching a shilling a pound. For all the parties concerned the valuation, though made by a fully competent man, was the rankest of gambles on what the purchasing power of money is going to be. For the State to give freeholders the option of converting to Crown tenancies without first stabilising the currency would be to plunge from one disaster into another. The two proposals are inseparable.

* * * *

To many persons the proposals set out in this book

are likely to prove highly unpalatable. It is an old saying that you cannot make an omelette without breaking eggs. Every reform, every change means upsetting something that is customary and accepted. Before people will accept a reform it must be shown either that it means a real gain or that there is peril in continuance of existing practices. Do not the facts in the present case reveal both that gain and that peril?

The international financiers who control the world today rely for their supremacy on the continuous co-operation of the moneylenders and interest-drawers of all nations. They have calculated that the innate selfishness of human nature will cause the wealthy classes in all countries to resist to the last extremity any step which would free the people from servitude to the money power. They have calculated that the people, inflamed by such resistance, will plunge into socialism, and that with a nationalisation of industries by means of borrowed money, international finance will be placed in full possession of the entire assets of the community.

How faithful in every country has been the co-operation of the local moneylenders in weaving this web of world control! Plunged into difficulty by the gold manipulators what is the course everywhere pursued? Every agreement, every contract, may be varied save the contracts with the moneylender. His contracts stand in a different class from all others. The religion we profess may declare the labourer worthy of his hire and may condemn the taking of usury; but, in practice, Christian statesmanship as a matter of course passes legal enactment in time of crisis to deprive the labourer of his wage in order that the full tribute to the usurer may be forthcoming. If the moneylender forgoes—or even postpones—taking his due sum it will be purely as an act of grace on his part. The special sanctity attached to a payment calling for no exertion whatever on the part of those who receive it might puzzle a visitor from another planet able to consider our institutions detachedly.

Nor can we escape the fact that a State in preferring the interests of the money power to those of the people comes dangerously near to an abnegation of sovereignty. A Government accepting a position in which a body of its private citizens announce terms on which they are "willing to co-operate" with it—as financiers have done in some countries—has virtually ceased to be a Govern-

ment. Accepting such a position, it becomes a mere front, a facade behind which these private persons rule the country. So far as it serves the people at all it fills the office, not of governing, but of mediating. The seat of sovereignty must be sought elsewhere. This statement may be thought extreme, but it is in accord with every recognised principle of sound government.

* * * *

That our institutions should be falling into such anarchical chaos is due to the monopoly given to gold as the sole legal tender. These legal tender enactments had their origin when the State in olden times sought to rob the people by debasing the coinage. To make bad money pass current the compulsion of law was required. To this root can our present troubles be traced.

Nothing is more pernicious and misleading than the idea that the measure of value must in itself have value. Nobody exposed this fallacy more clearly than old Bishop Berkeley when he asked in his celebrated "Querist," published over two centuries ago:

"Whether money be not only useful in so far as it stirreth to industry, enabling men to mutually participate in each other's industry and the fruits of each other's labour? . . .

"Whether the terms, crown—livre—pounds sterling, etc., are not to be considered as exponents of denominations? And whether gold, silver and paper are not tickets or counters for reckoning, recording, or transferring such denominations?

"Whether the denominations being retained, although the bullion were gone, things might not nevertheless be rated, bought and sold—industry promoted, and a circulation of commerce maintained?"

What we all need to realise is precisely that money is merely a ticket to goods and services. This ticket no more needs to have an intrinsic value in itself than a theatre ticket needs to be made of gold or silver to be worth having. Our commerce is in the same sort of a mess that travel would be in if it were decreed that no rail or steamer ticket could be issued unless made of platinum. The amount of travelling that could be done would thus be entirely regulated by the amount of platinum in existence. The cost of travel would depend

on what price the holders of platinum wanted for their metal. If somebody cornered platinum at Christmas people would have to give up the idea of going away for the holidays. The thing sounds insane, and we would have to be insane to consider it. Nevertheless, it is exactly what we are doing when we make the volume of credit and trade depend upon possession of another scarce metal of less practical use.

Unless our civilisation is to collapse through lack of intelligence we will eventually have to divorce our currency entirely from gold. Every period of prosperity under the gold standard is checked and killed in collapse because of the scarcity of the exchange medium. One ardent reformer, Mr. Henry Meulen, in his "Industrial Justice through Banking Reform" (R. J. James, London, 1917) expresses the opinion that, but for the legal restrictions placed upon banking, a system would long ago have been evolved by which under free competition we would have had a creation of exchange medium—"the creation of paper credit titles to the wealth which now stagnates in the hands of producers—and the distribution of these paper titles to those who are considered by the professional judges of commercial ability, the private bankers, to be capable of producing fresh wealth." With the removal of artificial restrictions due to unwise laws made by persons who did not understand what they were doing, or were prompted by selfish motives, the present divorce of the producer from the means of production would, he contends, be ended. That, of course, would mean an end of the spectacle of one set of persons starving and another set loaded up with foodstuffs which they are unable to exchange for things the starving people could produce.

The author's purpose in this book is not, however, to advocate any abandonment of gold, but he makes the above digression as many people do not recognise the source from which so many of the present difficulties of commerce flow. It is sufficient here to urge that we take without delay the necessary steps to protect ourselves from complete disaster by vagaries in the value of gold in the hands of the forces that today control and manipulate it.

* * * *

If the Money Power that rules the world today is centred in the hands of individuals of a particular race

and creed, this fact should not inspire us with feelings of ill-will towards persons of that race. It is given to no man to control the accident of his birth. Each individual must be judged by his own actions and associations. In writing this book the author would gladly have omitted from his pages all reference to race and creed had it been in any wise possible for him to have done so. Nothing is further from the author's desire than to inspire his readers with feelings of hatred or aversion towards Jews because they are Jews. Christian history has been stained by horrible persecutions of the Jews and the most shocking outrage and brutality have been practised upon these unfortunate people. Hatred begets only hatred and makes bad go to worse. It is in no such spirit that we shall work out our salvation. Even a little reflection will suffice to show that the international money power, though markedly Jewish in its personnel, has yet sacrificed the bulk of the Jews as ruthlessly to its ambitions as it has sacrificed persons of other race and creed. Nor is that power exclusively Jewish by any means.

If by past persecutions, particularly on the Continent of Europe, persons of Jewish race have been driven into underground activity and combination, and have aspired to bring about a state of things whereunder they may dominate not only their former oppressors but the people of all nations, we would be foolish in the extreme to close our eyes to the evidence of such conspiracy. Our desire, and our right, is for freedom to live our lives in our own way, and not in subjection to an alien force subduing our institutions to its will.

* * * *

We must face the fact that monopoly and freedom are ill-matched bedfellows. The legalised monopoly given to gold is a canker which has eaten at the heart of free institutions. It has become the parent of innumerable lesser monopolies in subjection to it. It is the mainspring of the force driving men on to socialism. And socialism under present conditions is likely to mean little more than the total subjection of the people to the money power. Controlling the executive of a socialised state that power will then control everything. The collaboration of international finance and international revolutionaries in the production in Russia of the phenomena known under the name of Bolshevism has provided a

very real and present instance of what this means.

Many sincere and self-sacrificing people have pinned their faith to Socialism as the hope of humanity. It is an idle hope so long as the commerce of the world is directed by centralised gold control, and so long as Socialism is pursued by paths meaning the piling of illimitable and completely unpayable debt upon the backs of the people. And that is the direction in which each instalment of Socialism has so far taken us.

Many equally sincere persons are of opinion that freedom and progress will best be found under private enterprise and free competition. Private enterprise and free competition can only exist among a people that is free. The gold monopoly has prevented the monetisation of wealth and has caused a purely artificial scarcity of the means of payment. Competitive effort is strangled under it, and all over the world, in every country, the small capitalist is being slowly but surely pushed to the wall and crushed out of existence. Soon all that will remain will be great non-competitive trusts and rings, all in total subjection to the money power. No sincere believer in private enterprise can be a supporter of monopoly. Yet what do we find in this country? It is forbidden by law to start a bank without great expense and a special act of Parliament, the money monopoly is buttressed by law in every way. At the same time in almost every trade and profession, are rings, combinations and close corporations, all set up and designed expressly to check competition and strangle enterprise. The predatory nature of these institutions and their failure to render adequate service for the reward they demand is more than anything else driving the people to seek relief in socialism. It is because advocates of private enterprise and free competition have been faithless to what they preach that this system is now detested by thousands upon thousands of the people.

The money monopoly is the parent of all other monopolies, and it cannot be too earnestly attacked by all who desire to see the survival of free institutions. The Fisher stabilisation plan is no more than an immediate practicable means of escape from an intolerable position. It is but a first step towards better things, and to no question can the student turn his attention with more profit to his fellows than to mastery of the problem of providing a medium of exchange adequate to the needs

of our present civilisation. We have everything in the world needed to make us happy and prosperous, but misery and wretchedness stalk abroad because we lack the means of getting this wealth round where it is needed.

* * * *

At the moment our immediate problem is to cope with a situation full of menace to the future of our country, to our race, and to the free institutions that are our heritage. The very freedom of those institutions lays them widely open to attack by the underground conspiracy of a handful of persons operating in collusion in different countries. Their defence is the defence of all that every right-thinking man holds dear in this world. It is a cause in which we can gladly enlist the utmost that is in us, and in the service of which the fate of the individual shrinks to nothingness. The first step is to seek out and know the truth, and thereafter with all our wit and skill to discern the path to security and unflinchingly to pursue it.

It is in the hope that what he has written may be of some slight service to his countrymen that the author now lays down his pen.

POSTSCRIPT.

The course of events since this book was written at the beginning of 1931 has provided much additional evidence of the truth of the matter assembled in it. In particular, the stabilisation of money in purchasing power, two years ago regarded as little more than the hobby of cranks, is now receiving support all over the world.

In Britain a Government Committee on Finance and Industry, composed mainly of bankers and presided over by Lord Macmillan, admitted in a report presented to Parliament in June, 1931, that "the recent world-wide fall of prices is best described as a monetary phenomenon." It declared that the objective of monetary policy should be "first of all to raise prices a long way above the present level and then to maintain them at the level thus reached with as much stability as can be managed."

Although the Macmillan Committee recommended the maintenance of the gold standard, yet within three months of its report Britain was obliged on September 21, 1931, to go off gold in order to avoid almost immediate bankruptcy on it. The return to the gold standard in 1925 had been made on the precarious basis of gold borrowed from America, and American pressure resulted in its abandonment. Tersely summing up the situation, Mr. J. F. Darling, a director of the Midland Bank, wrote in his pamphlet "Monetary Leadership" (Ernest Benn, 1932) that "the Federal Reserve Bank of New York refused to lend us any more money because our balance-sheet did not warrant it. Britain's cheque was refused. That is the plain English of it."

Since the abandonment of gold the pound sterling has been inconvertible paper money. The sole discernible objective in its regulation appears to be to maintain it at a more or less steady value against the dollar. This means that Britain in monetary matters still trails along as the poor relation of the United States and is dragged from pillar to post into whatever depths of deflation the controllers of American finance choose to go.

Although Mr. Neville Chamberlain as Chancellor of the Exchequer apparently hankers after a return to gold, it is worth noting that the British Conservative Party, at its national conference attended by 1700 delegates, in October of this year resolved against any such step back to gold slavery, and urged the Government to consult the Dominions with a view to stabilising the purchasing power of money within the Empire on the basis of an index scale of wholesale commodity prices. This is in line with the policy advocated in this book.

In June last the London Chamber of Commerce, representing 60,000 firms and companies, issued a "Report on Monetary Policy" supporting the same principle. It stated: "The currency must be backed by real wealth, i.e., commodities with a market value: that backing must not be one commodity, the value of which, in terms of other commodities, can be made to fluctuate widely, either through scarcity from natural causes or through being cornered."

In October, 1931, it was announced that the Riksbank of Sweden, which controls the currency of that country, had tentatively decided to aim at stabilising it in purchasing power on a commodity basis. Information is lacking as to how far, and with what success, it has pursued this policy.

More recently the United States House of Representatives on May 2 last passed the Goldsborough Stabilisation Bill by 289 votes to 60. The bill was subsequently rejected by the Senate and so failed to become law. It is notable, however, as being the first measure to be approved by the people's representatives in the legislature of a great nation directing the restoration of the purchasing power of the people and the maintenance of money at a steady level against commodities. The principal clauses of the bill read as follows:

"It is hereby declared to be the policy of the United States that the average purchasing power of the dollar as ascertained by the Department of Labour in the wholesale commodity markets for the period covering the years 1921 to 1929 inclusive shall be restored and maintained by control of the volume of credit and currency. The Federal Reserve Board, the Federal Reserve Banks and the

Secretary of the Treasury are hereby charged with the duty of making effective this policy."

In moving the bill the chairman of the House Banking and Currency Committee, Mr. Henry B. Steagall, said:

"Mr. Speaker, this bill represents years of careful study and mature deliberation, and it is reported with the unanimous judgment of the Banking and Currency Committee of this House. . . . No legislation since I have served on that committee was ever more fully discussed or more seriously and thoroughly considered.

"The proposal is not radical. It is not extreme: it is not dangerous. It is conservative and constructive. It comes before you with a unanimous report of the committee, after hearing discussions by many of the ablest economists of the country, by members of the Federal Reserve Board, and by persons in other positions of high authority. It is backed by nation-wide sentiment among farmers and business interests throughout the country."

Mr. Steagall pointed out that in 1920 and 1921 they had seen the power of control possessed by the Federal Reserve exercised in currency contraction and credit restriction to the extent of about \$2,000,000,000 with the result that prices were cut in half and confusion and distress reigned. Then the policy was reversed and expansion and liberal credit substituted, and prosperity revived for a number of years. In 1929 again there was another horrible contraction of currency and credit with a consequent decline in commodity prices that brought depression and panic and a wave of bank failures and bankruptcy to all classes.

Although passed by a majority of nearly five to one by the House, the Goldsborough Bill was rejected without a division by the Senate. The "New York Times" (see page 95) stated that even had the Senate passed the bill President Hoover was certain to veto it.

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Although the Macmillan Committee in its main report looked to international monetary control to remedy the depression, six of its fourteen members saw no difficulty in action by an individual State. Included in that six were Mr. Reginald McKenna, chairman of the Midland Bank, and Mr. Keynes, the most quoted British

monetary authority of the day. In their addendum they said:

"Theoretically the most obvious and comprehensive method of effecting the desired object [of adjustment to the slump] would be to leave money incomes alone but to change the monetary standard. . . This would bring the direct, initial benefit to those industries which need it most, namely to the foreign trade industries. It would involve no interference with contract. . . It would affect every class of income without the necessity of any other especial measures. For a country which was not an international banker and was not owed large sums from abroad fixed in terms of sterling this would be the simplest solution."

That paragraph appears under the heading "Devaluation," which term is synonymous with "inflation", "reflation", and "depreciation of the currency". Of the various terms "reflation" carries more meaning and signifies a reversal of deflation until normal conditions are restored. At this point is it not inappropriate to insert a brief passage from the evidence of Professor Irving Fisher, the famous American economist, given in March last on the Goldsborough bill:

"It is discouraging and sickening to read all that stuff spouted by the inerudite about the fear of an 'inflation'. They simply do not know anything about the real situation. They do not know where, when, nor how their own bread is buttered. Their policy has killed agriculture, and now the inability of agriculture to consume as well as to produce is killing all industry and investments."

Equally emphatic was another leading American economist, Professor Willford I. King, who occupies the chair of economics in New York University. Professor King in the course of his statement on the Goldsborough bill said he saw no economic difficulty at all in the way of any country raising its own price level to any point it desired. All that was necessary was to put more money into circulation until the desired point was reached and thereafter to regulate the quantity of money in circulation to keep values steady at that level. To regulate money scientifically would be something new, but Professor King said he failed to see that this was an objection. "Of course," he said, "the first man who went up in an air

plane was something new ; and if you never begin you never get anywhere." If they were going to wait to get an agreement among all the nations of the world to stabilise they might just as well quit in his opinion.

Exchange rates would, of course, vary, and this alarmed some people. "I do not believe," said Professor King, "you can find a shred of evidence that variation in the exchange rate hurts trade." The statistics of trade between the United States and Europe in the 1920's when there was rapid variation in exchange rates lent no support to the view that these variations made trade better or worse.

The proof of the pudding is in the eating. Turning from theory to practice, one finds Argentina bearing witness to the advantage derived from the deliberate depreciation of its currency. In a memorandum published in London in July 1931 the Ministry of Finance recorded a great improvement in the trade balance. It was added:

"The depreciation of the peso, which stands at 26 per cent. on the par value, has been an important contributing cause of this improvement of the trade balance. It has stimulated exports by cheapening the cost of Argentine products [in other currencies] and has restricted imports by making them dear in terms of pesos. This is the outcome of deliberate policy, for the new Ministry of Finance has throughout taken care to prevent any appreciation of the currency which would have hindered the export trade and encouraged imports."

In Australia currency depreciation has taken place to some extent as the result of Government deficits, and the Australian pound has thus been maintained 25 per cent. nearer to the pre-slump level than sterling. This has considerably eased the situation in that country and been a substantial benefit to the primary production on which depends the national solvency.

The policy so far pursued in New Zealand has been in the opposite direction, and at the time of writing the Government is committed to a policy of maximum deflation by means of a proposed central banking company to be established on the basis of parity of exchange with sterling. This private corporation is to be set up on the advice of Sir Otto Ernst Niemeyer to "form a link with the other central banks of the world."

In Britain a considerable body of opinion now exists that no particular benefit to the public is resulting from the intimate contacts established between the central banks of the world. Mr. Montagu Norman, Governor of the Bank of England, still travels as diligently as ever to consult the Federal Reserve in New York, and foreign financial interests are still as strongly represented on the directorate of the Bank of England. Lord Beaverbrook in his newspapers, the "Sunday Express" and "Daily Express", in May last was, however, courageously urging a national campaign to throw the foreign bankers off the board and to restore the money power to Parliament.

* * * *

The chief central bank of the world is the United States Federal Reserve system. Nothing is more remarkable in the evidence of the numerous witnesses on the Goldsborough bill than their general distrust of that institution and disbelief in any genuine desire on the part of those controlling it to relieve the present depression.

Even ex-Senator Owen, who in 1913 as chairman of the Senate Banking and Currency Committee had sponsored the Federal Reserve Act itself, declared that the slumps of 1920 and 1929 had both been precipitated by the "deliberate contraction of credit."

Mr. Owen was of opinion that if improvement was desired the Federal Reserve authorities must be directly ordered to restore conditions to normal. Professor King, already quoted above, was of similar opinion: that unless it was mandatory "they will do nothing whatever about it." Professor Irving Fisher recalled that the Federal Reserve had been created to function as a common reservoir for the banks in times of emergency: in practice when the emergency came the tap was turned off at the reservoir and the banks were worse off than before they had pooled their resources.

On January 24th last Mr. Paul M Warburg, a prominent founder of the Federal Reserve system, died in New York in his 64th year. According to the "New York Times" his death followed on "overwork, the result of a strenuous summer spent in following the European crisis."

Through the present deflation the Governor of the

Federal Reserve Board has been Mr. Eugene Meyer. According to the "New York Journal" of January 19 last Mr. Meyer is 56, and is the son of a successful Jewish stockbroker of California, formerly a partner in the international banking house of Lazard Freres, in which Mr. Meyer himself served his apprenticeship. During the war he was associated with Mr. Bernard M. Baruch, who as head of the War Industries Board was the war dictator of America and controlled the delivery of supplies to the Allies. Mr. Meyer was also stated to be controlling the Reconstruction Finance Corporation, recently set up by Congress, and the Land Bank system. It should be noted that the Federal Reserve system in addition to the Board includes a powerful Advisory Council and twelve regional Federal Reserve Banks. Responsibility for its policies is thus not readily located by outsiders.

The Federal Reserve system has been trenchantly attacked in Congress during the past year by Mr. Louis T. McFadden, for twelve years up to 1931 chairman of the House of Representatives Banking and Currency Committee, and thus in a position to know what he is talking about. Mr. McFadden is a Republican (Conservative) in politics and is an ex-president of the Pennsylvania Bankers' Association. In opposing President Hoover's policy of relieving Germany of her obligations Mr. McFadden in Congress on December 15 last spoke as follows:

"If the German international financiers of Wall Street . . . had not had this job waiting to be done, Herbert Hoover would never have been elected President of the United States . . . I wish to emphasise the fact that international finance is almost exclusively German. . . After the world war Germany fell into the hands of German international bankers. . . There is no country in the world to-day of which the inhabitants are so enslaved as are the Germans. . .

"Through the Federal Reserve Board and the Federal Reserve Banks over \$30,000,000,000 over and above the German bonds that have been sold here has been pumped into Germany. . . The Federal Reserve Board and the Federal Reserve Banks have pumped so many billions of dollars into Germany that they dare not name the total.

"Do you know that Germany has been lending our money to Soviet Russia as fast as she could get it out of this country from the Federal Reserve Board and banks? Do you know that she is the author of the Five-Year Plan; that she has armed and supplied Soviet Russia with our money? Do you know that Germany and Soviet Russia are one in military and industrial matters . . . I say that the Federal Reserve Banks have purchased and rediscounted false, worthless, fictitious and uncollectible acceptances drawn in Germany. . . . The Government's money in the designated depositories is gone, leaving nothing but this worthless paper behind it."

Referring to the New York Stock Exchange collapse which initiated the present slump, Mr. McFadden said: "It was not accidental. It was a carefully contrived occurrence. . . The international bankers sought to bring about a condition of despair here so that they might emerge as the rulers of us all."

* * * *

In passing it may be noted that the opinion that the Hoover moratorium was designed mainly to benefit Germany was strongly voiced by various speakers in a warm debate in the French Chamber of Deputies on June 26, 1931. It was pointed out that under the Young Plan for the payment of German Reparations it was necessary for the German Government to give 90 days' notice of intention to default, whereupon commissions of investigation at once came into action to assess what relief was needed. By having President Hoover intervene the Germans were enabled to default without investigation. Furthermore, the time chosen was significant: on June 15 Britain and France paid their half-year's interest on the American debt; on June 17 Germany announced that she could not pay; and on June 20 President Hoover issued his moratorium proposal. Thus immediately the cash had been extracted from the former Allies things began to happen.

Within a few weeks a financial crisis followed in Britain consequent on these proceedings, and the Government to keep going secured an immediate foreign loan, half from America and half from France. According to a speech made on August 26, 1931, by Dr. Addison, Minister of Agriculture in the Labour Cabinet; a condition

imposed by the financiers finding the money was that no economy made by Britain would be satisfactory unless it included a reduction in the allowance to a man out of work from 17s to 15s 4d a week. Dr. Addison said that according to the reports made to Cabinet the demand was very emphatic. It was perfectly fair, he considered, for the lenders to say that the Budget should be balanced, but it was utterly unconstitutional to have them dictate to the Government and Parliament in what way the nation should economise.

Mr. Ramsay MacDonald impressively and indignantly denied that there had been dictation by the Bank of England: the officers of the Bank, he said, had merely advised the Government of the conditions on which a loan could be obtained. As Dr. Addison had not alleged dictation by the Bank of England this seeming denial really denied nothing.

Why should foreign financiers desire to hit the poorest class in Britain by cutting down their pittance? If they desired to promote discontent and pave the way to revolution their action would be intelligible. It is not intelligible otherwise so far as the writer can see.

* * * *

Mr. McFadden's allegations concerning the acceptance of worthless European paper by the Federal Reserve system were confirmed within a few months of his speech by the revelation of the colossal Kreuger frauds. The means by which these operations were conducted were described at length by Mr. McFadden in a speech in Congress on June 10 last in the course of which he said: "Mr. Chairman, we have in this country one of the most corrupt institutions the world has ever known. I refer to the Federal Reserve Board and the Federal Reserve Banks. This evil institution has impoverished and ruined the people of the United States; has bankrupted itself; and has practically bankrupted our Government."

Mr. McFadden proceeded to declare that these institutions had been established by bankers who came from Europe and foisted them upon the country. These bankers, he said, took American money to finance Japan in her war against Russia in 1904-05. He added: "They created a reign of terror in Russia with our money to help that war along. They instigated the separate peace between Germany and Russia, and thus drove a wedge be-

tween the Allies in the World War. They financed Trotsky's mass meetings of discontent and rebellion in New York. They paid Trotsky's passage from New York to Russia so that he might assist in the destruction of the Russian Empire. They fomented and instigated the Russian revolution, and they placed a large fund of American dollars at Trotsky's disposal in one of their branch banks in Sweden. . . ."

Pointing out that not a dollar could get into circulation in the United States except on terms fixed by the Federal Reserve Banks, Mr. McFadden dwelt at length on the abuse possible in the issue of Federal Reserve notes. These notes can be issued against 40 per cent. of gold and 60 per cent. of commercial paper. Great quantities of United States currency, he said, had been thus issued against mere finance drafts drawn by Germans. "If you desire to obtain the thing of value upon which this currency is based," said Mr. McFadden, "that is, the Limburger cheese, the whisky, the illicit drugs, or any of the other staples—you will have a very hard time finding them. Many of these worshipful commodities are in foreign countries. Are you going to Germany to inspect the warehouses to see if the specified drugs are there? I think not. And what is more I do not think you would find them if you did."

"The Government and the people of the United States have been swindled by swindlers de luxe," declared Mr. McFadden, "to whom the acquisition of American gold or a parcel of Federal Reserve notes presented no more difficulty than the drawing up of a worthless acceptance in a country not subject to the jurisdiction of the United States Courts, sharpers with a strong banking 'fence' on this side of the water—a fence acting as receiver for the worthless paper coming from abroad, endorsing it and getting the currency out of the Federal Reserve Banks for it as quickly as possible, exchanging that for gold; and in turn transmitting the gold to its foreign confederates.

"Such were the exploits of Ivar Kreuger. . . . Every dollar of the billions Kreuger and his gang drew out of this country on acceptances was drawn from the Government and people of the United States through the Federal Reserve Board and Federal Reserve Banks. The credit of

the United States Government was peddled to him by the Federal Reserve Board and Federal Reserve Banks for their own private gain. That is what the Federal Reserve Board and the Federal Reserve Banks have been doing for many years. They have been peddling the credit of this Government and the signature of this Government to the swindlers and speculators of all nations. That is what happens when a country forsakes its constitution and gives its sovereignty over public currency to private interests. Give them the flag and they will sell it."

Coming from the Republican Party's ex-chairman of the House Banking and Currency Committee, these are remarkable statements indeed. Nor is Mr. McFadden by any means alone in his views.

In the Paris newspaper "Le Figaro" in April last the far-flung activities of certain Jewish-American financiers were dealt with at length in a series of five articles by M. Francois Coty under the heading "Financiers who Sport with the World." To this source M. Coty traced the American policies imposed upon Europe by which France is to be deprived of the German indemnities which are her right and of the arms which she needs to defend herself against the new German-Russian aggression which is menacing her. The connections between international finance and revolutionary movements in all parts of the world were also dealt with in detail by M. Coty.

Evidence of the existence of a virtual alliance between Germany and Russia is given by Mr. Cecil F. Melville in a book published a few months ago, "The Russian Face of Germany" (Wishart, London, 1932). According to Mr. Melville, Germany since 1920 has used Russia as an arsenal for war materials (in convenient agreement with the Five-Year plan), as a field for military training, and as a prospective ally with an enormous army trained on modern lines outside the supervision of Europe. Mr. Melville has assiduously collected information from German and Russian sources throwing light on these matters and he quotes his authorities. As one reviewer remarks, if one-half of what he says is true the present talk of disarmament is a farce. Britain and France could commit no more perilous folly than to render

themselves defenceless while Germany is being thus used as a tool in the hands of Bolshevism and international finance.

There has been much comment on the fact that Russia has been freely supplied with funds from abroad for the prosecution of the Five-Year Plan. For instance, Mr. James W. Gerard, American Ambassador to Germany during the war, stated on September 18, 1931, after a visit to Europe, that Germany "did not need any financial assistance, and that a large percentage of the loans from the United States was lent to Russia." Mr. Gerard added: "If we're going to do business with Russia let us do it directly and not through Germany which has arranged to give Russia millions of dollars' credit to purchase commodities in Germany."

The London "National Review" in April last recorded that whereas Britain in the previous five years had imported goods to the value of £135,000,000 from Russia, her exports to Russia in the same period totalled only £25,000,000, and even this had been sold on credit. The balance Russia had apparently expended on purchases made in other countries.

In the third edition of "The Alien Menace" (Boswell Publishing Coy., London, 1932) Lieut.-Col. A. H. Lane quotes the following from the "British Russian Trade Gazette and Outlook" for December, 1931: "It must be ironic for them (British manufacturers) to view the forced cessation of work on the giant Cunard liner, which is attributed to this country's 'frozen' credits in Germany—credits which have been used in great part by Germany to finance orders from Russia. During 1931 orders amounting to £45,000,000 have been placed with German firms by the Soviet buying organisations."

Colonel Lane further wrote: "Though the Communists profess to hate Capitalism and order their paid agents in England to cry 'Down with the Capitalists', the leaders in Russia never fail to give the international financiers a hearty welcome whenever they visit the U.S.S.R. When Felix M. Warburg, of New York, visited Russia in 1927 he had a great reception, and the speeches delivered on that occasion indicated that the Bolshevik leaders and the leaders of world finance understood each other very well, that their aims were not dissimilar, and altogether they were a united family working in their respective

ways for a common end." According to M. Coty in the "Figaro", the wife of another partner in the firm of Kuhn, Loeb and Company was received in Russia in June, 1931, with ceremonial exceeding that on the occasion of the Russian visit of King Amunallah of Afghanistan, and the Red Army lined the streets at the present arms.

* * * *

It is worth noting that among the manifold activities of the Schiff-Warburg group of financiers has been a close association with the enormous Jewish migration from Europe to the United States. In "Jewish Life in Modern Times" (Methuen, London, 2nd edition, 1929) Mr. Israel Cohen points out that the migration of the Jews in recent times "far exceeds that of their previous history." From statistics quoted by him it appears that in 1897 the total Jewish population of the world was 10,342,000: in 1928 it was 15,218,734. In 1897 there were in North and South America 986,000 Jews, and in 1928 this number had increased to 4,640,748, of whom about four million were in the United States, the largest number of Jews in any one country in the world. Mr. Cohen added:

"The city of New York alone contains 1,873,390 Jews who form 23 per cent. of the total population. It can boast not only of the largest Jewish community in the world, but of the largest known in the entire annals of Jewish history." We are further told that Chicago has 325,000 Jews (which is more than Great Britain), and in eleven of the principal cities of the United States is concentrated about three-quarters of the total Jewish population of that country. In Australia and New Zealand there are 24,189 Jews, of whom 8000 are in Sydney and 6000 in Melbourne.

A prominent organisation in connection with this migration has been the Jewish Colonisation Association. This was founded and endowed with £11,000,000 by Baron Maurice de Hirsch, an Austrian Jewish financier long resident in Paris. Associated with him was Sir Ernest Cassel, and in 1891, according to M. Coty in the "Figaro", an American branch was formed under the sole and independent management of the late Mr. Jacob Schiff. Baron Hirsch started this off with a gift of £493,000, and it later acquired colossal funds.

It is curious to reflect that the actual transportation of this Jewish addition to America's population was largely in vessels of the Hamburg-America and North German Lloyd lines, both controlled by the banking house of Warburg and Company of Hamburg.

Persecution, Mr. Cohen tells us in his book already quoted, has been the principal cause of the dispersion of the Jews. Of that dispersion the Jews themselves take two views. The orthodox regard it as a divine punishment for past transgression, and believe in the coming of a personal Messiah and the return of the Jews to Palestine. The Reformers, on the other hand, regard dispersion as the Jews' final lot, and as "the divinely appointed means for universalising the teachings of Judaism."

The world to-day, however, provides a spectacle of a great concentration of Jewish power. In New York there is the concentration of Jewish financial power dominating the entire world in its material affairs, and side by side with it is the greatest physical concentration of the Jews ever recorded. On the other side of the globe, there has taken place in Russia the greatest concentration of Jewish revolutionary activity in all history.

"When we sink we become a revolutionary proletariat, the subordinate officers of the revolutionary party; when we rise, there rises also our terrible power of the purse." So wrote Theodor Herzl, founder of the Zionist movement, in his book "A Jewish State", published thirty-six years ago.

The enormously significant thing in the world to-day is that both this power of the purse and revolutionary activity are working in the direction of destroying the entire existing order of things, and that not only are they working in a common direction, but there is a mass of evidence that they are working in unison.

* * * *

As some readers have asked for further evidence of Jewish participation in the Russian revolution, it may be pointed out that in a British Foreign Office White Paper issued in April, 1919, is a despatch from the Netherlands Minister at Petrograd under date of September 6, 1918, in which occurs the following passage:

"I consider the immediate suppression of Bolshevism

is the greatest issue before the world, not even excluding the war which is still raging, and unless, as above stated, Bolshevism is nipped in the bud immediately, it is bound to spread in one form or another over Europe and the whole world, as it is organised by Jews who have no nationality and whose one object is to destroy for their own ends the existing order of things."

Such was the opinion of one observer on the spot after the Bolsheviks had been in power for twelve months. In evidence given before a committee of the United States Senate, the Rev. Dr. G. R. Simons, formerly in charge of an American congregation at Petrograd, stated that in December, 1918, out of 388 members of the government of the northern communes only 16 were real Russians and all the rest Jews, except one American negro, and that 265 of these Jews came from the lower East Side of New York. Another witness, the commercial attache of the United States Embassy at Petrograd, described the revolutionary leaders as two-thirds Jews, and an officer of an American bank in Petrograd said it was well known in Russia that three-fourths of the Bolshevik leaders were Jews. This evidence was taken in 1919 and is in Vol. III of U.S. Senate Document No. 62, 66th Congress, 1st session.

In the London "Times" of May 10, 1920, a correspondent stated that a list of the principal State functionaries of Russia compiled from Soviet sources showed that out of a total of 556 no less than 458 were Jews and only 17 Russians, the rest being Letts, Germans, etc. Innumerable books by eye-witnesses of the revolution remark on the preponderance of Jews among the leaders, and many comment on their conduct as that of invaders in a conquered country.

According to Bolshevik figures, as published in the London "Times" of September 1, 1922, "the Tcheka executed 1,766,118 persons before being renamed the supreme political organisation last February." Estimates of the total loss of life in the revolution, including that consequent on starvation and disease, put it at upwards of twenty millions.

In his book "The Soviet Five-Year Plan" (Lane, London, 1931) Mr. H. R. Knickerbocker says: "The terror has become a permanent institution. . . It is much

more active to-day than three years ago. . . Methods of the terror heighten its dreadful effect. All arrests are made between midnight and the dawn. . . Most prisoners are condemned by the collegium of the G.P.U. [secret police] without trial, without witnesses, without a chance to defend themselves. . . Their execution is in secret, their burial places unknown. The G.P.U. allows no martyrs." Mr. Knickerbocker adds that under the G.P.U. "the nerve net of the most extensive and intensive espionage system in history reaches almost to each individual family in Russia."

In his book "Art Treasures in Soviet Russia," Sir Martin Conway records that although treated most kindly in Russia, he experienced a feeling on departing into Finland as though a great weight oppressing him had been removed. He did not notice this feeling on entering Russia, but as the days passed it slowly accumulated. "The sense of freedom gradually disappeared. Though everyone was kind one felt the presence of an oppression, not on one-self, but all pervading. Never have I felt so completely a stranger in a strange land; with successive days what at first was a dim feeling took more definite shape and condensed into an ever-increasingly conscious oppression."

The highly international outlook of the rulers of Russia is evidenced by their ceaseless propaganda with a view to promoting revolution throughout the world. Such an obsession is foreign to the Russians, but entirely characteristic of the international Jewish revolutionary. The total expenditure upon this propaganda must be enormous. That it should be possible to pursue it contemporaneously with the stupendous task of industrialising Russia is in itself evidence of the unlimited financial resources behind Bolshevism.

Summed up, the position is that international finance, by enticing the world into enormous debts and then withholding the means of payment, is goading mankind into the arms of the international revolutionaries established in Russia. The remedy is to take away the goad by restoring the means of payment. And the place to begin is here at home in our own country.

A. N. FIELD.

October 31, 1932.

APPENDIX.

(1) BRITISH v. CONTINENTAL FREEMASONRY.

The references to Masonic activities in this book are to the Grand Orient Freemasonry of the Continent of Europe. This is quite distinct from British Freemasonry, which is not connected with it in any way. As the *Encyclopædia Britannica* (1929 Edition) states: "On the Continent of Europe Freemasonry has often developed on different lines from that of the 'Mother Grand Lodge' and Anglo-Saxon grand lodges generally, and through its political and anti-religious tendencies has come into conflict with the State authorities or the Roman Catholic Church. The Grand Orient of France . . . is an example of this, having eliminated the paragraph referring to a belief in the 'Great Architect of the Universe' . . . This action led to the withdrawal of all 'regular' grand lodges from association with that body. . . ."

"Since 1910 events have proved that the breach between Latin and Anglo-Saxon Masonry was based on a fundamental divergence of opinion as to the basic principles on which the Order rests, and that this breach tends to grow wider year by year. The disastrous results of interfering in politics have been shown by the fact that the Italian and Hungarian Governments have declared Freemasonry to be a danger to the State and have suppressed it within their jurisdictions. In France opposition to the political activities of the Grand Orient culminated in 1914 in the formation of a new body, 'Grande Loge Nationale Independante et Reguliere pour la France,' which avoids politics and insists on belief in God. This body, which has increased rapidly in numbers, is recognised by the Grand Lodge of England. At the same time, one by one, most of the American grand lodges which were still in fraternal relations with the Grand Orient have felt compelled to sever relations."

(II) "THE ALIEN MENACE."

A strong protest against the unnecessary employment in the British public service of persons of alien descent was made by Lieut.-Col. A. H. Lane in 1929 in his book, "The Alien Menace" (St. Stephen's Publishing Company, London).

From a copy of this book in the Parliamentary Library, Wellington, the following instances quoted by Lieut.-Col. Lane were noted:

Sir Otto Ernst Niemeyer.—"Obviously of German descent—married also to a lady of the same name—this gentleman was an important functionary at the Treasury from 1906 until 1927. He was Controller of Finance from 1922 to 1927, and during that period, in 1924, he was also a member of the German Reparations Committee. On leaving the Treasury he became a director of the Bank of England, and in 1928 chairman of the Financial Committee of the League of Nations." [In this latter office Sir Otto Niemeyer was last year succeeded by Dr. Melchior, partner in Warburg's Bank, Hamburg.]

Sir Charles Mendl.—In charge of the Foreign News Service since 1920, and now a Counsellor of the British Embassy at Paris.

Sir Sigmund Dannreuther.—Deputy Secretary of the Air Ministry.

Sir Ernest Strohenger.—Principal Assistant Secretary and Accountant-General to the Ministry of Health.

Mr. Berthold Schlesinger Kisch.—Controller of the Local Clearing House (Enemy Debts) and administrator of Austrian and Hungarian property in India since 1920.

Mr. Cecil Hermann Kisch.—Secretary of the Financial Department of the India Office since 1921.

In the case of Sir Otto Niemeyer, Lieut.-Col. Lane noted that a London periodical in August, 1921, had published what purported to be a correspondence between the late Dr. Ellis Powell, then editor of the "Financial News," and Mr. Bonar Law, then Chancellor of the Exchequer. From this it appeared that under date of December 18, 1918, Dr. Powell had asked whether certain Germans named Niemeyer (vide London "Times," December 5, 1918, p. 9), had "a near relative occupying a high position in the Treasury and married to a German wife."

In answer to that question, Mr. R. M. Gower, writing five days later from Treasury Chambers, Whitehall, said: "Mr. Bonar Law wishes me to inform you that the case of Mr. Niemeyer was recently considered by the committee appointed by the Government to examine the cases of persons not the children of British-born subjects who are employed in Government Departments, and that the committee had decided that it was in the national interest that Mr. Niemeyer should hold the post which he occupies in the Treasury."

In two further letters Dr. Powell pointed out that no answer had been given to his question, which question Col. Lane repeated, saying:

"I make no reflection on the integrity and personal character of Sir Otto Ernst Niemeyer. I publish the above facts because I feel strongly that it should be known to the British people to what extent our Government services are directed by officials of alien extraction."

Attention was further directed by Lieut.-Col. Lane to the remarkable fact that of the "accredited and recognised teachers" of the London School of Economics no less than one-third "appear by their names not to be pure-blooded Britishers." This institution was founded by Mr. Sidney Webb, now Lord Passfield and Secretary of State for the Dominions in the present British Government. The names of the teachers referred to and the subjects taught by them were stated to be as follows:

Frederick Rudolf Mackley de Paula, O.B.E. (Accountancy and Business Method).

Edith Verena Eckhard (Sociology).

Hermann Finer (Public Administration and Political and Economic Science).

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Morris Ginsberg (Sociology).

Theodor Emanuel Gugenheim Gregory (Currency and Banking).

Harold Joseph Laski (Political Science).

Hersch Lauterpracht (International Law).

Bronislaw Malinowski (Anthropology).

Alexander Feliksovich Meyendorff (Russian Institutions and Economics).

Charles Gabriel Seligman (Ethnology).

Sir Henry Herman Slessor (Schloesser), K.C., M.P. (Industrial Law).

Edward Alexander Westermarck (Sociology).

Abraham Wolf (Logic and Scientific Method).

"There are also," remarked Colonel Lane, "citizens of the U.S.A. among the remaining 'accredited and recognised teachers' in this institution, which receives from the British Government a grant of £40,000 a year." As Colonel Lane remarks, one wishes to make no reflection on the competence of the above persons, but it is difficult to believe that equally competent teachers of more distinctly British blood are not available for the instruction of British youth in the conduct of British commerce.

(III) WHO'S WHO: PERSONS MENTIONED IN THIS BOOK.

Belloc, Joseph Hilaire Pierre.—Born 1870. Author. Born in France, his father being French and his mother English. Naturalised in 1902. M.P. for Salford, 1906-10, first as a Liberal then as an Independent. Author of novels, essays, histories, etc.

Buchanan, Rt. Hon. Sir George.—Born 1854. British Minister to Bulgaria, 1903-08; to Holland, 1908-10; to Russia, 1910-18; to Italy, 1919-21. Retired from the Diplomatic Service in 1921.

Cagliostro, Count Alessandro.—1743-1795. Italian alchemist and impostor. A purveyor of love philtres, elixirs of youth, etc. Much patronised by persons of fashion in London and Paris. W. R. H. Trowbridge in his biography ("Cagliostro"—Chapman & Hall, 1910) states that Cagliostro was a member of the Illuminati and was financed by them. He was intimate with Cardinal de Rohan, victim of the Diamond Necklace affair in 1785, and was arrested but acquitted. He died in prison in Italy. Cagliostro is said by Trowbridge to have signed an oath on admission to the Illuminati to engage in conspiracy against the throne of France.

The affair of the Diamond Necklace is generally regarded as the prelude to the French Revolution. The Jewish Court jewellers, Boehmer and Bassange, had on hand a diamond necklace which they had failed to sell to Madame Du Barry before the death of Louis XV. Cardinal de Rohan had taken as his mistress a so-called Countess de Lamotte. The countess pretended intimacy with the Queen and by forged letters led the Cardinal to believe that the Queen was in love with him. The Cardinal was even met at a rendezvous by a lady whom he supposed to be the Queen. Later he received through the

Countess a message saying that the Queen wished to buy the necklace for £56,000, but it was inconvenient to find the money at once, and she desired the Cardinal to stand surety for it and to procure the necklace for her. The Cardinal did so, handing the necklace to a confederate of the Countess, whom he supposed to be a court messenger. The necklace was pulled to pieces by the Countess and the diamonds sold. A year later the jeweller sought payment. The Queen declared she knew nothing of any necklace. The Cardinal, in debt to Jews, is unable to pay. The King is approached by the jeweller and is greatly enraged on learning the story, the Queen also is beside herself with indignation, and the upshot is that the Cardinal is arrested on August 15, 1785, in full pontificals just as he is about to celebrate high mass on Assumption Day as Grand Almoner of France. A trial follows in which public feeling is much inflamed against the Queen, who is thought to have set a trap for the Cardinal. The Countess is imprisoned, the Cardinal acquitted. Cagliostro, who had been intimate with the Cardinal, was accused of complicity by the Countess, but was acquitted. Various writers take the view that the affair was a diabolically clever plot to discredit the royal family in the eyes of the people of France, and point with suspicion to Cagliostro as a probable agent of the Illuminati of Bavaria.

Cassel, Prof. Gustav.—Born 1866. Swedish economist. Professor of economics at Stockholm since 1904. His memorandum on "The World's Monetary Problem" attracted great attention at the International Banking Conference at Brussels in 1920. According to the "Encyclopædia Britannica" (1929 Edition) he is regarded as "one of the world's foremost authorities on foreign exchanges." Delegate at 1922 Economic Conference at Genoa; at International Chambers of Commerce Conferences, 1921 and 1922; and at International Economic Conference at Geneva, 1927.

Commons, Prof. John Rogers.—Born 1862. For many years Professor of Political Economy at the University of Wisconsin, appointed 1904. Expert agent of the United States Industrial Commission, 1901. One of the founders of the American Proportional Representation League, active in the National Civic Federation. Author of "The Distribution of Wealth," "Social Reform and the Church," "Proportional Representation," "Trades Unionism and Labour Problems," and contributor of many articles to magazines and economic journals.

D'Abernon, Lord.—Formerly Sir Howard Vincent. Born 1857. British representative on the Council of the Ottoman Public Debt, 1882; Financial adviser to Egypt, 1883-89; Governor of Imperial Ottoman Bank, 1883-89; Chairman of Dominions Royal Trade Commission; Ambassador to Germany after the war.

Dawes, General Charles Gates.—Born 1865. United States Ambassador to Great Britain. Connected with railway administration in early life. Was appointed Controller of the United States Currency under President McKinley, 1898-1902.

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- Then founded and became head of Central Trust Company of Illinois in 1902, a concern named as in the Money Trust in the Pujo Commission report of 1913. Had control of American transport in France during the war, and of disposal of war supplies on its conclusion. Was appointed Director of the Budget under President Harding. Elected Vice-President of the United States with President Coolidge.
- Dillon, Dr. Emile Joseph.**—Deceased. Formerly correspondent of the London "Daily Telegraph" abroad, constant contributor to leading English monthly reviews and was a foremost authority on foreign affairs.
- Fisher, Prof. Irving.**—American economist. Born 1867. Appointed professor of economics at Yale University, 1898. Chairman of many commissions dealing with public health, prohibition and labour. A foremost writer on monetary problems. In 1911 he formulated what is known as the Fisher Money Stabilisation Plan. Author of "Stabilising the Dollar" (1920), "The Money Illusion" (1928), and many other books.
- Ford, Henry.**—Born 1863. Founded the Ford Motor Co. in 1903 on 28,000 dollars capital. In 1926 the Company had assets of 1,000,000,000 dollars, and employed 200,000 people directly and an equal number indirectly. The company was built up by putting the profits back into construction. It is stated by the Encyclopædia Britannica (1929) to be entirely owned by Henry Ford and his son Edsel, the other shareholders having been bought out for 70,000,000 dollars in 1919.
- Harriman, Edward Henry.**—1848-1909. American financier and railroad magnate. At first associated with Stuyvesant Fish and the Illinois Central System. In 1898 he formed a syndicate with Kuhn, Loeb and Company to acquire the Union Pacific, then in the United States Government Receiver's hands. In 1901 he secured control also of the Southern Pacific. His abortive contest in 1901 with J. J. Hill for control of the Northern Pacific created one of the most serious financial crises even known in Wall Street. At his death his influence was estimated to extend over 60,000 miles of railways. The Encyclopædia Britannica says: "Harriman's methods excited the bitterest criticism, culminating in a stern denunciation from President Roosevelt in 1907."
- House, Edward Mandell.**—Born 1858. Commonly known as "Colonel" House, as an American courtesy title. A Texas planter. Was political adviser to several Texas Governors, but refused all office himself. Took a leading part in securing the nomination of Woodrow Wilson as Democratic Party candidate for the Presidency in 1912. Refused office in the Wilson Cabinet, but acted as adviser to President Wilson, who referred to him as "my independent self."
- Kahn, Otto H.**—Financier. Partner in Kuhn, Loeb and Company, New York. For biography refer to Chapter V.
- Kitson, Arthur.**—Born 1860. Chairman and managing director of the Kitson Engineering Co. (London) Ltd. Inventor of the Kitson Light now used in all British lighthouses and patentee of many inventions. Long President of the Banking and

- Currency Reform League. Author of "The Money Question" (1894) and many other books on money problems, and contributor of many articles to the "National Review," London "Times," etc.
- Ludendorff, General Erich.**—Born 1865. Chief of the German General Staff during the world war. Since the war has been associated with the Kapp "Putsch" and the Hitler movement against the present regime in Germany, which he asserts has placed that country under Jewish control.
- McKenna, Rt. Hon. Reginald.**—Born 1863. British politician and financier. Called to the bar in 1887. In 1895 entered Parliament as a Liberal. Financial Secretary to the Treasury (1905), President of the Board of Education (1908), First Lord of the Admiralty, Home Secretary, Chancellor of the Exchequer (1915). Went out of office with Mr. Asquith in December, 1916. In 1919 accepted the chairmanship of the Midland Bank. Extra Dreadnoughts were built against Germany during his period at the Admiralty, at which time H.M.S. "New Zealand" was given by New Zealand and H.M.A.S. "Australia" by Australia.
- Melchett, Lord.**—Formerly Alfred Moritz Mond. (1868-1930.) Born in Lancashire, son of Dr. Ludwig Mond (1839-1909), a German chemist who in 1862 went to England, and in 1873 with Sir Thomas Brunner founded the firm of Brunner, Mond and Co. The late Lord Melchett became a director of the Company in 1895 and succeeded his father as head of it and the Mond Nickel Co., the South Staffordshire Mond Gas Co., etc. Elected to Parliament in 1906 as a Liberal. Was First Commissioner of Works in the Lloyd George Ministry of 1916. Left the Liberal Party in January, 1926, as he disapproved of its new land policy. Founder of Imperial Chemical Industries and other huge combines since the war.
- Melchior, Dr. Carl.**—Partner in Warburg and Co., bankers, Hamburg. Chairman of the Financial Committee of the League of Nations, 1930. One of the six delegates representing Germany at the Peace Conference at Paris in 1919. Active in promoting the Bank of International Settlements founded in connection with the Young Plan for German reparation payments.
- Niemeyer, Sir Otto Ernst.**—Refer to Appendix II for biographical details.
- Passfield, Lord.**—Formerly Mr. Sidney Webb. Born 1860. Secretary of State for the Dominions since June, 1929. President of the Board of Trade, 1924. Long prominent in the Socialist movement as a member of the Fabian Society. Author of many books on trades unionism and industrial and social topics. Served on London County Council and Senate of University of London. Founder and for years chairman of London School of Economics. Started the "New Statesman" in 1913. Has sat on many Royal Commissions.
- Rasputin, Gregory Efimovitch.**—(1871-1916.) Russian monk. Son of a poor peasant. Because of his habits he was given the name of Rasputin, meaning "debauchee." In 1907 he was

introduced to the Tsarina and acquired great influence at court by means of spiritualistic seances, etc., and by his treatment of the sickly Tsarevitch. The appointment of an illiterate friend of his to be a bishop caused a great scandal in 1911, and the prestige of the Tsar and Tsarina was greatly lowered by their association with this dissolute and illiterate monk. Rasputin was assassinated at the Yussopoff Palace on December 15, 1916, by Prince Yussopoff and others who desired to rid Russia of him. In Chapter VII will be found the authority for statements that Rasputin was in Jewish pay and that a Masonic plot had been formed to use him to destroy Russia.

Reading, Marquis of.—Formerly Sir Rufus Isaacs. Born 1860. Son of Joseph Isaacs, merchant. Called to the bar in 1887. Elected to Parliament as a Liberal in 1904. Became Attorney-General in 1910, and in 1912 was given a seat in the Cabinet (the first time the holder of this office was ever so honoured). Then came the Marconi scandal. In this it was alleged that he had bought American Marconi shares on information not generally available to the public, at a time when the British Marconi Company (managed by his brother, Mr. Godfrey Isaacs) was negotiating a contract with the Government; and further that some of these shares were taken over by Mr. Lloyd George (then Chancellor of the Exchequer) and by the Chief Ministerial Whip. There were three reports made as the result of Parliamentary inquiry. The first report stated that the charges were absolutely untrue, and those who made them had no reason to believe them true. The second stated that if in the debate of October 11, 1912, it had occurred to the Ministers concerned to make a statement of the facts as disclosed in the libel action against "Le Matin" much misunderstanding would have been averted and the labours of the committee lessened. The third (minority) report stated that the Attorney-General had acted with "grave impropriety" in buying the shares in the circumstances, and had placed himself in a position in which his private interest might easily have been in conflict with his public duty. The same censure was applied to the Chancellor of the Exchequer and the Chief Ministerial Whip. The minority further considered that the reticence of the Ministers in the debate of October, 1912, was a grave error of judgment and lacking in respect for the House of Commons. A few months after this Sir Rufus Isaacs was made Lord Chief Justice, and given a peerage as Lord Reading. On the outbreak of war, states the *Encyclopædia Britannica*, he "assisted in the drafting and administration of those measures which saved England from financial ruin." He later went to America as a special financial envoy and negotiated the terms for war borrowing by which Britain agreed to pay back in gold on demand (in some cases three days' notice) the enormous sums she borrowed from the United States. In 1918 Mr. Lloyd George's Government appointed Lord Reading Viceroy of India. He was successively made Earl and Marquis. He is director of several newspaper companies and combines, and of the Mond Imperial Chemical

- Industries combine and the allied Financial Corporation of Great Britain and America, which is linked up with concerns named in the Pujo report of 1913 as included in the United States Money Trust.
- Schiff, Jacob H.**—(1847-1920.) For biographical details see Chapter V.
- Schuster, Sir Felix.**—Born 1854. Son of F. J. Schuster of Frankfort-on-Main, afterwards a merchant banker in London. Became Governor of the Union Bank of London in 1895, and holds many banking directorates in London. A brother, Sir Arthur Schuster, is a prominent scientist and during the war and since has been active in the direction of national research.
- Shibley, George H.**—Born 1861. Admitted to Illinois bar in 1887. Founded American Bureau of Economic Research in 1899, and in 1902 the National Federation for the People's Rule. Author of "The Elements of Law," "The Money Question," "The Monopoly Question," "Outline of Social Evolution," "The University and Social Problems," "The Trust Problem Solved," etc.
- Spring-Rice, Sir Cecil.**—(1859-1918.) British diplomat. Joined the Foreign Office in 1882, and after service in United States (where he formed a life-long friendship with Theodore Roosevelt) and elsewhere, was successively British Minister to Persia and Sweden, and Ambassador to the United States from 1912 to the end of 1917, when he was replaced by Lord Reading. He died unexpectedly at Ottawa on February 14, 1918, on his way back to England.
- Stamp, Sir Josiah.**—Born 1880. British economist. Was assistant secretary of the Inland Revenue Board from 1916 to 1919; then director and secretary of Nobel Industries, Ltd. In 1925 he became chairman of the London, Midland and Scottish Railway Co. Is a director of the Bank of England. Sat on Royal Commission on Income Tax, 1919; on Finance Arbitration Committee for Northern Ireland, 1923-24; on Committee on German currency and finance, 1924; on Court of Inquiry into Coal Industry, 1925; on Reparations Commission, 1929. Knighted, 1914.
- Steed, Henry Wickham.**—Born 1871. Successively London "Times" correspondent at Berlin, Rome, Vienna. Foreign editor of the "Times," 1914-17. Editor, February, 1919, to November, 1922. Was head of a special Government mission to Italy in 1918. Now editor of the English "Review of Reviews."
- Stoll, Sir Oswald.**—Born 1866. London theatre proprietor and manager. Chairman and managing director the Coliseum Syndicate and many other theatre companies. Author of "The People's Credit," 1919; "Freedom in Finance," 1918; "Broad-sheets on National Finance," 1920, and other books and articles on the same subject.
- Sydenham, Lord.**—Born 1849. Governor of Victoria, 1901-04; helped to reconstruct the War Office; secretary of Imperial Defence Committee; Governor of Bombay, 1907-13; has represented Britain on many missions abroad.

Warburg, Paul Moritz.—Originator of U.S. Federal Reserve Board, etc. (See Chapter V.).

Weishaupt, Adam.—(1748-1830.) Bavarian University Professor. Founded the Society of the Illuminati, May 1, 1776. This secret organisation aimed at the destruction of monarchy and the Church and the substitution of patriarchal rule. It is held by some that Frederick the Great and Voltaire may have been the concealed superiors, and that Frederick used it in his designs against France. Searches and arrests were made by the Elector of Bavaria in 1784. The Count de Mirabeau and other influential persons are said to have been members. The plans of the Illuminati have marked resemblances to those set out in the documents known as the "Protocols of the Learned Elders of Zion."

White, Arnold.—Born 1848. Author. Writer on social problems and colonisation, making many visits to Canada, South Africa and Russia. Acted for Baron de Hirsch in negotiating for land in Argentina for the settlement of Russian Jews. Was long an advocate of a strong navy. His books include "The Modern Jew," 1899; "The Hidden Hand," 1917.

Wolf, Lucien.—Born 1857. Journalist. Sub-editor and leader-writer on the "Jewish World," 1874-93. Foreign editor of London "Daily Graphic," 1890-1909. A frequent contributor to leading publications. Has been president of Jewish Historical Society of England, and W.M. of Authors' Lodge of Freemasons. Represented the Jewish community at the Peace Conference in 1919. Author of many books, including "The Myth of the Jewish Menace in World Affairs," 1921.

Young, Owen D.—Born 1874. Lawyer. Counsel for American General Electric Company, 1911. In 1913 was made a vice-president of the Company, and in 1922 became chairman of the board of directors. Organiser of the Radio Corporation of America, and connected with many other companies. Was appointed chairman of German Reparations Commission, 1929, which drew up what is known as the Young Plan now in force.

(IV) "HONOUR OR DOLLARS?"

The references on pages 97, 107 and 109 of this book to the British debt to the United States are instructive when read in conjunction with the matter in "Honour or Dollars?" (Australian edition: Angus & Robertson, 1929). In that booklet, published by the American Association Favouring Reconsideration of the War Debts, appears the following comment on the terms on which the British debt was funded:

"When by a strange combination of eagerness and financial or political ineptitude the American so-called debt was suddenly funded on terms which astounded the astute U.S. Treasury officials themselves, this extraordinary faux pas of the British Government, acting through its representatives, not only fastened a colossal burden upon the English taxpayer for this generation and two or three more to come, but also made the lot of every allied nation much harder."

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WHY COLLEGES BREED COMMUNISTS

Or "The Evolution Hoax Exposed"

A. N. Field

PREFACE

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Evolutionism is the subject which the author examines. It is a subject the implications of which are, for some, obscured by the rodomontade of certain scientists. More dangerously, the true character of evolutionism is clouded for many by the vapourings of professional religionists, and in particular by such as choose to dispense that peculiar mixture of clergianity and Marxism known as the Social Gospel. In the mass media of England, the T.V., the press and the wireless, evolutionism is sacrosanct, and its speculative basis must not be discussed. The more vocal propagandists of the cult, however, have been granted access to the schools and universities. It is as paid educationalists that these are now licensed to press their atheism upon captive audiences, and, where and whenever possible, to overthrow the faith of children.

In this compact survey, Mr. Field shows evolutionism to be a scientific fraud. He brings forward the facts which enabled him to recognise the modern university college as a machine for de-Christianising and demoralising the community.

In his chapter, *Evolution's Offspring*, the author opens up a very fruitful line of research, and reveals the origin of much of the spiritual and intellectual unrest of our times. This is generated by the wilful abandonment of Scripture; yet there are signs that the wheel is coming full circle. Again, one here, one there, is prompted to return to, and to dare to believe what God has written.

May this book play some part in encouraging that return.

THE PUBLISHERS.

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Chapter I

THEORY VERSUS REALITY

THE PURPOSE of this book is to show the falsity of a theory which for three-quarters of a century has dominated all British thought. Nominally, the theory of organic evolution is no more than a proposition in biological science. Actually, it is the parent and support of a whole host of subsidiary theories—political, economic, and scientific—all accepting as established truth things which are wholly unproven, and many of which are demonstrably untrue.

On evolution's twenty-first birthday in 1880, Thomas Huxley, chief propagandist of the Darwinian gospel, remarked that it was "the customary fate of new truths to begin as heresies, and to end as superstitions (Huxley's *Life and Letters*, ii, 12). Evolution, disguised as truth, has run this full course. In the light of all the facts it is no overstatement to say that it has made the universities and higher educational institutions of the British Empire, not centres of enlightenment but haunts of superstition and intellectual darkness. The theory of evolution is only kept going by constant distortion of observed fact, and its main result is wrong-headed thinking on all aspects of life.

In the universities of Britain, the British Empire, and the United States a strong under-current of subversive influence has been operating on the minds of students for many years past. Many people who have never had occasion to look into the matter closely regard this as due to nothing more than misguided ebullitions of youthful enthusiasm. There is evidence, however, of organised effort over many years in the work of deliberately pumping subversion into Britain's universities. Even a generation back it was recognised in New Zealand that the little trickle of university professors from Britain was bringing with it a steady insinuation of materialistic and subversive ideas into the minds of students. Since the outbreak of the present war public feeling on the matter has found emphatic expression in some parts of New Zealand. Evolutionist teaching prepares the ground for subversion.

It is well recognised that this mental infection is apt to colour the whole outlook on life of those who suffer it. Two professors of the University of London in 1933 were so impressed by this that they set out to collect statistics as to how far students supporting one "advanced," "progressive," or "unorthodox" movement tended to

support other such movements. The questionnaire did not inquire if the students believed in evolution, for this is nowadays taken for granted. According to the *London Patriot* of May 25, 1933, the numerous movements listed in the professorial questionnaire included birth control, abortion, sexual freedom, new education (without coercion), rationalism (atheism), nudism, psycho-analysis, anarchism, communism, socialism, refusal of military service, sterilisation, etc., etc. The universities were not established as hotbeds of propaganda for movements of the above character, but have become such.

In the United States in 1934 a somewhat similar questionnaire was circulated by an undergraduate organisation of Harvard University, the numerous questions in the forms distributed being, however, almost wholly on psycho-analytic sex lines with inquiry into students' views and habits (*Boston Evening Transcript*, March 14 and 15, 1934). These two inquiries bear sufficient testimony to a similar trend of infection in leading educational institutions in both Britain and the United States.

The practical outcome of university education today is the production of people with a boundless belief in all manner of unverified, and often unverifiable, theories. At the same time the general public is inspired with an equally boundless, and equally groundless, belief in anything labelled as Science. Experience is thrust out of the window as a useless teacher, and some little tom-noddy of a university graduate with a bagful of theories is blindly entrusted with the task of remaking heaven and earth.

In world affairs we see the fruits of modern university education in the present difficulties in which the British Empire finds itself involved, and from which the fortitude and resolution of the common people are left to extricate it. Throughout the nineteenth century, before the theorists took charge, British foreign policy was based on intelligent and practical principles. Ample armed force and minimum interference in European affairs was the rule. And long stretches of almost unbroken peace were the result.

At the end of the World War in 1918 our educated theorists got the bit properly between their teeth, and the edifice known as the League of Nations was exactly the sort of product to be expected from university-minded people. This scheme for the manufacture of peace on earth was all theory without any working parts whatever. Its principal promoter in the British Ministry during the last war got a Foreign Office report in 1916 on the draft plan, which report by Sir Eyre Crowe duly pointed out in detail that the projected League would do everything except operate as desired. This trifling shortcoming, however, was held in no way to detract from the theoretical beauty of the plan for remaking mankind. This text of this instructive report will be found in the Lloyd George War Memoirs (vol, iii).

In their worship of this Palace of Talk at Geneva our evolutionist

university-minded intellectuals were prepared to neglect and sacrifice every British interest. The clamour of these theorists resulted in Britain first throwing away her arms, and then entangling herself in every possible and impossible direction in other people's business in Europe and elsewhere.

After four years of suffering and endurance by the common people, the British had emerged victorious from the last war. All the fruits of victory were flung away by the theorists. An amazing financial policy was pursued at the bidding of a private corporation of secret and possibly foreign ownership: and the result was unemployed workers by the million over a period of twenty years—exactly as was predicted in the *London Times* in 1918 on the policy being first mooted. No effort worth speaking of was made to develop the nation's world-wide heritage. A great part of the time of the political heads was taken up in rushing from one international conference to the next, and signing pact after pact, each of which duly proved worthless almost before the ink was dry on it.

In the end, this twenty years of unreal politics based on unreal education collapsed like the house of cards it was. Britain found herself plunged into war under more disadvantageous circumstances in point of equipment and allies than ever before in her history. In this struggle the mass of the nation as before is exhibiting the high qualities of the British race.

As for the intellectuals, they have made the war the occasion for producing an even more flamboyant theoretical construction than their League of Nations Plan of the last war. Under the name of Federal Union this proposes a restoration of the gold standard for the benefit of the international financiers owning the world's gold stock; the dissolution of the British Empire; and, for all practical purposes, its virtual absorption by the United States. This remarkable project the present writer hopes to review at a later date.

Such are the fruits of our theory-mad age. And the fountain-head of these dreams and imaginings, divorced from reality is undoubtedly the theory of organic evolution produced by Charles Darwin just over eighty years ago. This is the grand river of falsity and corruption from which all sides of national life have been irrigated with the waters of untruth. The effects of this theory are so far-reaching that they deserve the attention of all. In the following pages we will trace out the present position of the case for evolution, the origin and development of the theory, and some of its consequences.

Chapter II

THE SKELETON IN THE CUPBOARD

WITH oaks to be seen sprouting from acorns, grubs turning into butterflies, and chickens pecking their way out of eggs, it is not surprising that human fancy from an early date toyed with the notion of one kind of living thing being transformed into some other kind. This idea has been the stock-in-trade of folk-lore and fairy tales in all ages and all lands. It was the achievement of Charles Darwin to make it the foundation of modern biological science.

At the end of the eighteenth century there occurred that great event known as the French Revolution, described in various quarters as a landmark in the liberation of the human spirit. Incidentally, the student may learn from Alison's History of Europe how in the course of this episode the mob in the streets of Paris roasted and ate the bodies of the massacred Swiss Guard of the royal palace on August 10, 1792, and how fifteen months later the multitude assembled in the Cathedral of Notre Dame to worship the Goddess of Reason, personified by an actress, also well known to the public in another capacity, placed naked by Government decree upon the altar of the French Westminster Abbey. State and people having alike discarded Christianity as outworn superstition, attention was directed in scientific circles to discovering how the world had come into being without intervention of the Almighty.

Modern evolutionist theory dates from the writings of two French scientists of this period, the Comte de Buffon and M. Lamarck, the latter of whom propounded a theory of evolution by inheritance or acquired characters. Evolutionist ideas were also advanced in England by a medical man and author of Derby, Dr. Erasmus Darwin, correspondent and admirer of Jean Jacques Rousseau, chief philosopher of the French revolutionary era. Ideas of evolution began to float about, and in 1813, Dr. W. C. Wells aired the subject before the Royal Society in London.

Scientists in the first half of the nineteenth century were by no means all believers in Evolution. The Creationists were in a great majority, and the Evolutionists lacked a plausible theory of how evolution had occurred. This was all altered on the appearance of Charles Darwin's Origin of Species in 1859.

Darwin's theory was that all species had evolved from primal protoplasm by Natural Selection, or survival of the fittest in the struggle for existence. As lambs still continued to appear with tails, despite the fact that their parents had had theirs cut off for generations back, Lamarck's idea of evolution by inheritance of acquired characters had failed to convince. Darwin not only provided a more attractive theory but he elaborated it in a big book. He directed attention to the way breeders of domestic animals and plants got new varieties by selective breeding. He quoted instances of small variations occurring in all directions in living things. He argued that the rate of multiplication of living things produced an intense struggle for existence exterminating those with unfavourable variations and permitting those with favourable variations to nourish and increase.

The idea of evolution as thus propounded met with immediate and astounding success. Not all scientists accepted it by any means, but it caught on and disbelievers were soon shouted down. In his presidential address to the British Association for the Advancement of Science in 1937 Sir Edward Poulton said the records showed that Dr. Wright back in 1881 was the last person to express disbelief in evolution at this British scientists' parliament. The article on evolution in the current (1929) edition of the *Encyclopaedia Britannica* affirms evolution to be an established fact supported by "overwhelming" evidence. In current newspaper and magazine literature evolution is similarly treated as a fact beyond dispute, and in colleges and schools is usually rammed down the pupils' throats as incontrovertible truth.

Nevertheless, there is a small, slight hiatus in the argument. There is, unfortunately for evolutionists, not a shred of evidence of any living thing ever evolving into some different kind of living thing capable of breeding but infertile with its parent stock. All that breeding experiments have produced is mere varieties fertile with their parent stock, or else sterile hybrids, incapable of breeding, such as the mule produced by a cross between horse and donkey. All living things go on obstinately producing young after their own kind and no other kind. Evolution has to show that living things can break through their natural breeding limits. And this is just what evolution has been quite unable to show.

This small defect in an otherwise pleasing theory Darwin glossed over in his books. Nevertheless, Darwin admitted in the introduction to his *Origin of Species* that evolution as a scientific theory "would be unsatisfactory, until it could be shown how the innumerable species inhabiting this world have been modified." Before he got to the end of his 700 pages Darwin ignored this requirement, for, without meeting it, he declared himself in his concluding chapter "thoroughly convinced" of evolution.

Huxley, who from the outset constituted himself the chief propagandist of Darwinism, was more logical. He made no bones about the total absence of any actual proof of evolution. In fact, he greatly annoyed Darwin by harping on the point, as anyone who cares to peruse the five volumes of Darwin's letters and the two volumes of Huxley's may discover for himself. "My God," wrote Darwin to Huxley in 1862, "is not the case difficult enough without its being, as I must think, falsely made more difficult. I believe it is all my own fault—my own d----- d candour . . ." (More Letters of Charles Darwin, i, 230).

This outburst was in consequence of Huxley having pointed out in his lectures and books that so far it had not been possible by selective breeding to produce a form capable of breeding but infertile with the parent stock. Huxley, in admitting this lack of evidence, said in his Edinburgh lectures in 1861 that if it could be shown that such failure was "the necessary and inevitable result of all experiments" he would hold Mr. Darwin's hypothesis to be "utterly shattered." (Man's Place in Nature, Everyman edition, p. 256). He added, however, that he looked for early proof to be forthcoming. In a letter to Darwin, Huxley said he told his students that he was satisfied that twenty years' scientific breeding experiments with pigeons would provide the necessary proof (Huxley's Life and Letters, i, 195-6).

Although so heatedly rebuking Huxley in 1862, Darwin himself eight months later, privately admitted in a letter to Dr. Bentham the total absence of any proof of evolution. This is what he wrote under date of May 22, 1863 : "In fact belief in Natural Selection must at present be grounded entirely on general considerations. . . . When we descend to details, we can prove that no one species has changed (i.e., we cannot prove that a single species has changed); nor can we prove that the supposed changes are beneficial, which is the groundwork of the theory. Nor can we explain why some species have changed and others have not" (Darwin's Life and Letters, iii, 25).

Darwin died in 1882. Huxley died in 1895. Four years before he died Huxley wrote to Professor Romanes that evolution still stood without the evidence on which he had insisted thirty years before. He had always insisted, he said, on "the logical incompleteness of the theory so long as it was not backed by experimental proof" (Huxley's Life and Letters, ii, 291).

We now pass onwards another thirty years; and we find the noted English evolutionist, Professor Sir William Bateson, acknowledging exactly the same total absence of any proof of evolution. This is what he said to the congress of the American Association for the Advancement of Science in Toronto in 1921 :—

"When students of other sciences ask us what is now currently believed about the origin of species we have no clear answer to give...

The conclusion in which we were brought up, that species are a product of summation of variations, ignored the chief attribute of species, that the product of their crosses is frequently sterile in great or less degree. Huxley very early in the debate pointed out this grave defect in the evidence, but before breeding researches had been made on a large scale no one felt the objection to be serious. Extended work might be trusted to supply the deficiency. It has not done so, and the significance of the negative evidence can no longer be denied" (Nature, Ap. 29, 1922).

Six years later another prominent evolutionist, Professor J. B. S. Haldane, in his book *Possible Worlds* (p. 38) said in 1927 : "The barrier of inter-specific sterility is the most serious argument against Darwin's Organic Evolution." It is equally a barrier against any other kind of organic evolution.

In 1931 we find the great Professor H. F. Osborn, of the United States, described by Britain's Royal Society as the greatest palaeontologist of the day, making the following remarkable statement to a congress of the British Association :—

"We are more at a loss than ever to understand the causes of evolution. One after another the Buffonian, Lamarckian, Darwinian, Weissmannian, and De Vriesian theories of causation have collapsed ... All that we can say at present is that Nature does not waste time or effort with chance or fortuity or experiment, but that she proceeds directly and creatively to her marvellous adaptative ends of biomechanism" (Nature, September 28, 1931).

This is an admission by one of the high priests of science that all theories of evolution have collapsed. Buffon propounded a general theory of evolution; Lamarck, tutor to Buffon's children, followed with an idea of evolution by inheritance of acquired characters; Darwin advanced the idea of gradual small changes by natural selection; Weissman put all the emphasis on the germ plasm; and De Vries-put forward the idea of evolution by mutations or sudden large variations.

Two years later on again Professor James Ritchie, the great zoologist of Edinburgh University, wrote in *Nature* of September 30, 1933 : "The problem of the origin of species seems to be as far from solution as ever." In September, 1939, Professor Ritchie delivered the presidential address to the zoological section of the British Association and had nothing further to report. "The existence of life," he said, "must be considered as an elementary fact which cannot be explained," and, admitting life, the biologist "may build up a whole body of biological theory . . . logical in the logic of probability . . ." (Nature, September 23, 1939). Everything was down to mere shadowy "probability."

The above series of pronouncements by front-rank biologists covers the entire period of eighty years since the first proclaiming of the Darwinian gospel. There is no more vestige of proof of evolution today than there was in those early days when Darwin privately, and Huxley openly, admitted its total absence.

Claims are made from time to time of the production by experiment of new species of living things, but they rapidly drop out of sight and the above series of statements at scientific headquarters is sufficient evidence that no such claim has survived examination. This evidence is vital to the evolution theory, and if it were forthcoming we may be quite sure it would be proclaimed from the house-tops for all the world to hear.

If this evidence is lacking it is not for want of seeking it. For example, a whole literature, so extensive that a bibliography of it was recently published, has grown up about the breeding experiments with the pumice fly *Drosophila melanogaster*. Mr. Douglas Dewar, a Fellow of the Zoological Society and one of the few British biologists rejecting evolution, in his *Challenge to Evolutionists* (pp. 20-21) relates how in 1910 Morgan and his collaborators hit upon the idea of experimenting with this quick-breeding fly.

This obliging little creature produces 25 generations a year at ordinary temperatures and more at higher temperatures. Over 800 generations of it have been bred with the object of transforming into something that is not a *Drosophila melanogaster*. It would take 20,000 years to get as many generations of human beings. Every device has been applied to this fly to make it vary its breeding. In 1927 it was discovered that by exposing it to X-rays the rate at which mutations, or marked variations, occurred could be increased by 15,000 per cent.

These breeding experiments are stated to have resulted in the production of some 400 varieties of this fly, some of them monstrosities, and some differing more from the parent form than the other wild species of *Drosophila* differ from one another. Nevertheless, all these varieties (unless they are too imperfect to breed at all) are stated to breed freely with the parent stock, whereas the different wild species of *Drosophila* on the rare occasions when they can be induced to cross, either yield no offspring at all or sterile hybrids. Immutability of species, like a mysterious angel with flaming sword, stands barring the way to the evolutionist Garden of Eden.

Summed up, the position is that there is no evidence of any interbreeding community of living things being able to change its breeding and become transformed into some different kind of thing infertile with the original stock. Evolution asserts that all species came into being in this way. And evolution is wholly unable to provide any vestige of proof of its assertion. Belief in evolution today must thus rest on "general considerations," just as Darwin privately confessed was the case away back in 1863. In our next three chapters we

shall discover how these general considerations—the cloud capp'd towers and gorgeous palaces of evolution—melt away like the baseless fabric of a vision when peered at too curiously.

Chapter III

EVOLUTION'S CASE TODAY

THE first thing noticeable about modern presentations of the case for evolution is the widely different ideas held by various evolutionists as to what constitutes proof of a proposition. If we make our starting point the article on evolution in the current (1929) edition of Britain's standard reference book the Encyclopaedia Britannica, we read that evolution is supported by "overwhelming" evidence. If we turn to certain of the recent presidential addresses to the biological sections of the British Association, we shall find scientists there affirming on exactly the same evidence that evolution is not a proved fact but purely a matter of faith.

We live in an age of propaganda circulated throughout the world from obscure sources for obscure ends. Perusal of some articles in the successive post-war editions of the Encyclopaedia Britannica shows in various cases a haphazard reversal of view between one edition and the next, and in particular a change from a factual to a propagandist view of evolution in the three brief years between the thirteenth edition of this work of reference in 1926 and the fourteenth in 1929.

In the 1929 edition two eminent biologists combine to write the general article on evolution. There is a brief, very positive and very dogmatic introduction by the biological editor of the edition, Professor Julian Huxley, then professor of physiology at the Royal Institution; but when it comes down to cold hard facts a great part of the positive-ness fades away in the main part of the article written by Professor E. S. Goodrich, professor of zoology and comparative anatomy at Oxford University.

Both these ardent evolutionists make weak starts. The first item is an announcement by Professor Huxley that "among competent biologists and geologists there is not a single one who is not convinced that evolution has occurred and is occurring," and Professor Goodrich on taking up the running immediately asserts that "it is now universally held by all competent biologists" that evolution is a fact.

These statements are weak for two reasons. In the first place they suffer from the defect of being untrue. There are some fully competent biologists and geologists who have publicly rejected the entire

theory of evolution as baseless. A list of them will be found on pp. 102-105. In the second place, the statements are weak because the truth of a scientific proposition is not to be established by counting noses. Professor Julian Huxley's own eminent grandfather expressed himself very freely on this, matter of nose-counting. "Government by average opinion," he wrote, "is merely a circuitous method of going to the devil. Those who profess to lead but in fact slavishly follow this average opinion, are simply the fastest runners and loudest speakers in the herd which is rushing blindly to its destruction" (Huxley's Life, ii, 125).

When theologians state that most people believe in the existence of God Almighty, evolutionists like Professor Julian Huxley tell us this is merely evidence of the prevalence of superstition and credulity. On the other hand, credulity in scientific circles apparently turns fancy into fact. Besides being unreliable in their nose-counting, these two eminent encyclopaedists are illogical in their deductions from it.

However, it appears that there is secondary support for evolution beyond the mass of scientific noses upholding the theory. Professor Huxley assures us in the encyclopaedia that "by now the evidence is overwhelming." The evidence is as follows :—

- (1) Fossils, which are stated to provide "complete proof,"
- (2) Vestigial organs, that is to say, useless parts remaining from ancestral forms of being;
- (3) Embryology, showing the embryo developing through ancestral forms of the species.

In addition, the general plan of plants and animals is said to bear witness to a common descent. Their geographical distribution is described as easy to explain on evolutionist lines, but difficult otherwise. Also, evolution is held to have "pragmatic value" in explaining things.

The foregoing are simply the "general considerations" which Darwin, as we have seen, referred to in 1863 in privately admitting the absence of any rag of proof that any living thing could change into any other kind of living thing infertile with the parent stock. Professor Julian Huxley passes over this total absence of real proof of evolution without notice.

The decline of the *Encyclopaedia Britannica* from a factual to a propagandist work of reference is evidenced by referring to the article on embryology appearing in the thirteenth edition three short years before Professor Julian Huxley was holding forth in the 1929 edition. This thirteenth edition article was written by Professor Adam Sedgwick, professor of zoology at the Imperial College of Science and Technology. Professor Sedgwick dismisses as baseless the idea that fossils, embryology, and vestigial organs provide any "proof" at all of evolution. In discussing the Darwinian theory as elaborated by

Haeckel that the embryo in developing recapitulates the ancestral history of the species, Professor Sedgwick says of this class of "evidence":

"When we come to look for the facts upon which it is based, we find that they are non-existent, for the ancestors of all living animals are dead, and we have no means of knowing what they were like. It is true there are fossil remains of animals which have lived, but these are so imperfect as to be practically useless for present requirements. Moreover, if they were perfectly preserved, there would be no evidence to show that they are the ancestors of animals now living. They might have been animals which have become extinct and left no descendants.

"Thus the explanation ordinarily given of the embryonic structures referred to is purely a deduction from the evolution theory. Indeed, it is even less than this, for all that can be said is something of this kind : if the evolution theory is true, then it is conceivable. (Note : not 'it is certain,' or even 'it is probable') that the reason why the embryo of a bird passes through a stage in which its pharynx bears some resemblance to that of a fish is that a remote ancestor of the bird possessed a pharynx with lateral apertures, such as are at present found in fishes." Professor Sedgwick remarks incidentally that although fishes have teeth, no teeth are to be found in bird embryos.

In Professor Sedgwick's view what Professor Julian Huxley calls "overwhelming" evidence is no evidence at all. The evolutionist can find a succession of fossil remains of different types of animals in different geological strata : but that present animals are the descendants of extinct ones is pure assumption. The whole evolutionist case is made up of one assumption placed on top of another assumption. All is guesswork from start to finish.

Before going on to the main evolutionist line of "complete proof" in the fossils, the minor counts are worth looking over. With respect to the common plan of plants and animals, this amounts to little. All plants and animals have to live in a common environment of land, air, and water, and a common plan is just as much to be expected on Creationist as on Evolutionist belief. As to geographical distribution, Darwin wrote to Hooker that to get his species about the world, he was always ready to raise up "former immense tracts of land in oceans if any case required it in eminent degree," adding : "... at present I much prefer land in Antarctic regions . . . you have thus to invent much less land, and that more central ..." {More Letters, i, 115). If Darwin could do this, the Almighty should be able to manage it also. As to evolution's pragmatic value in explaining things, one finds an evolutionist author, Mr. A. Beebe, quoted as writing quite seriously in his book *The Bird* : "The idea of miraculous change which is supposed to be an exclusive prerogative of fairy tales is a common phenomenon of evolution." Does "pragmatic value"

simply mean that in scientific circles an untrue explanation is considered better than no explanation ?

Professor Goodrich, in coming down to the details in the fourteenth edition of the encyclopaedia, speedily loses the easy positive touch of Professor Huxley in opening the evolution article. Professor Goodrich begins by dispensing with the services of the Almighty altogether in his evolutionist Garden of Eden. Everything came from protoplasm, and "there must have been a time" when protoplasm first appeared. It "must be supposed" that inorganic substances started forming compounds, and that some of these kept on reforming themselves, and "once they started on this trick" they "would inevitably tend" to perpetuate themselves. These things "probably occurred" in the sea.

The actual fact of the matter is that neither Professor E. S. Goodrich, F.R.S., nor any other scientist, can produce for examination any inorganic substances which keep on forming compounds indefinitely and turning into living organisms. All the many attempts of scientists to produce living matter from non-living matter has been a dead flat failure. What Professor Goodrich talks of is no more producible than are Hans Andersen's witch with the tinder-box and dog with eyes as big as mill-wheels. The main difference is that Hans Andersen's flights of fancy are easier reading than professorial jargon.

Vestigial organs in animals and plants are stated by Professor Goodrich to be "numberless." The human vermiform appendix and the splint bones in horses' legs are two much-quoted vestigial organs. However, the professor proceeds in the encyclopaedia with the following remarkable statements about such organs : "Unless they have been adapted to fulfil some new function, they are apt to diminish and disappear ... It is doubtful whether any useless parts are ever preserved for long unless they are insignificant, and many of the so-called vestigial organs are now known to fulfil important functions."

According to Darwin, evolution is proved (or nearly so) by the presence of organs "bearing the plain stamp of inutility" and "imperfect and useless." On the theory of creation, he argued, the presence of useless organs was inexplicable. On the theory of evolution, they were explainable as atrophied survivals from past forms of being. When Professor Goodrich talks of many vestigial organs fulfilling useful functions he at once knocks completely to pieces any claims such organs have as evidence of evolution. Grant them any use and they wholly cease to be vestigial organs in the Darwinian sense of useless survivals. The modern evolutionist tries to eat his cake and have it.

Mr. Douglas Dewar, F.Z.S., an anti-evolutionist, discusses these vestigial organs at length in his *Difficulties of the Evolution Theory and More Difficulties of the Evolution Theory*. He points out that the

number of supposedly useless organs decreases as biological knowledge increases, and he suggests that those which remain may represent no more than the measure of our ignorance. If biologists had not been so busy hunting for useless organs to prove evolution, the use of many might have been discovered already.

Evolutionists describe the splint bones in horses as vestigial remains of extra toes. Mr. Dewar in his *More Difficulties* (p. 54) quotes Hayes, an authority on the horse, as stating that these bones (1) strengthen the leg, (2) serve as an attachment for certain muscles, and (3) in conjunction with the canon bone form a groove in which lies the upper part of the suspensory ligament supporting the fetlock and counteracting the effects of weight. How much is left of their vestigial uselessness?

Since King Edward VII had his coronation postponed for a year in order to have his vermiform appendix removed, vast numbers of lesser persons have discovered that they can part with this portion of their anatomy without immediately fatal results. Mr. Dewar, in his *Man, a Special Creation*, notes Dr. Le Gros Clark, professor of anatomy at St. Thomas's Hospital, London, saying in 1934 in his book *Early Forerunners of Man* (p. 205) : "The significance of the vermiform appendix is still quite obscure, but in view of its rich blood supply it is almost certainly correct to regard it as a specialised and not a degenerate organ."

Mr. Dewar remarks that while Darwin wrote in a general way about nascent organs, no evolutionist has been able to point in either extinct or existing forms of life to any nascent organ in course of development; yet if evolution is a fact all organs must have had rudimentary beginnings. The complete absence of nascent organs is usually passed over in silence in evolutionist literature. Enough hurdles have to be jumped without looking for more.

Embryology is affirmed by Professor Goodrich in the encyclopaedia to afford "strong evidence" of evolution; but he admits that Haeckel's law of recapitulation is "a gross exaggeration." In the 1929 encyclopaedia article on embryology by Professor D. M. S. Watson, professor of zoology at London University, we learn that research to confirm Haeckel "can scarcely be said to have succeeded in its original aim."

In 1938 there was published at Oxford a book of essays entitled *Evolution*, and written by colleagues and former students of Professor Goodrich in commemoration of his seventieth birthday. The editor was Mr. G. R. De Beer, senior demonstrator in zoology and lecturer in embryology at Oxford. Here is all that Mr. De Beer will allow for embryology as "proof" of evolution :

"... Very soon, in their enthusiasm for the great new revelation

(evolution), biological students were making embryological facts subservient to their evolutionary theories. . . Thus arose the famous theory of recapitulation ... as is so often the case with half-truths, this theory enjoyed wide acceptance . . . Nevertheless, it must be realised that the theory contained a fallacy which for two reasons impeded the progress of biological work and thought ... In many cases it can be proved that the developmental history cannot represent the phylogenetic (species) history" (pp. 57-58).

This is open admission by an ardent evolutionist of one of the chief counts brought by anti-evolutionists. They complain, and on good grounds, that the theory of evolution has led to continuous and wholesale distortion of observed fact in order to make it fit in with evolutionist preconceptions. To such an extent has this proceeded that in modern scientific literature, especially the popular variety, it is impossible to distinguish between what has been observed and what is speculative embellishment. Fact and fairy-tale are muddled up indiscriminately.

According to Mr. De Beer, the most that can be said for embryo-logical evidence of evolution is that "the structure of the adult ancestral form may sometimes be inferred (his italics) from that of the developmental stages of its descendants " (p.61). In other cases "little or no information" may be gleaned. On top of this, as Professor Sedgwick points out, nobody knows what the ancestral forms of any animal were, and what little remains of embryological "proof" of evolution thus subsides into moonshine.

Darwin wrote in the *Origin of Species* of gill-slits and a tail in the human embryo as evidence of fish and animal ancestry. Mr. Dewar and other evolutionist and anti-evolutionist writers point out that there are no slits at all, but simply depressions. These have nothing to do with breathing arrangements but develop into tissues connected with the ear, lower lip, tongue, cheek, and various other things. As for the embryonic tail, this bends inwards and forms the attachment for various muscles and also gives additional support to man's internal organs necessitated by his upright posture. Mr. Dewar remarks in his *More Difficulties* (p. 36) that in the human embryo a length of intestine also projects from the body for a period, but so far evolution has not claimed this as evidence of anything. All the indications, he states, are that the embryo wastes no time in meandering about repeating ancestral history, but develops in the most direct and expeditious manner possible in the circumstances.

Enough has been quoted in admissions from evolutionist sources to show that the miscellaneous exhibits in the shop window come down to very little indeed. None of the items provides any proof of anything, and the most that can be said of any is that it provides a basis for speculation. We now turn to the last remaining line of evidence, the fossils.

Chapter IV

FOOTPRINTS ON THE SANDS OF TIME

IT has been said that a man studying the fossilised remains of plants and animals can take away from them any theory he brings with him at the outset. In other words, the fossils themselves are one thing, and the inferences drawn from them are another matter altogether. In dealing with this part of evolution's evidence, it is thus advisable to bear in mind just what the rocks show. To begin with, the geologists divide the succession of strata in which fossils are found into three great ages :

(1) The Palaeozoic Era (Ancient Life), the age of shells, corals, crabs, lobsters, and later the fishes; on land, scorpions and insects appear, and at the end of the period the earliest reptiles. Seaweeds are the earliest plants, followed by mosses and ferns on land, some growing to giant size in the swamp forests of the world's coal-bearing rocks of this era.

(2) The Mesozoic Era (MiddleLife), the age notably of giant reptiles, in which the birds later appear, all this life reproducing by spawn or eggs; the first mammals, producing their young alive, also appear; seed-plants and trees are also found.

(3) The Cainozoic Era (Newer Life), the age of mammals and of flowering plants.

These eras, also known as Primary, Secondary and Tertiary, are sub-divided into fifteen periods, the earliest period of the Palaeozoic era being known as the Cambrian. Each of the three geological ages is separated from the next by a marked physical break, with upheavals or outbreaks of volcanic activity.

The evolutionist contention is that the later forms of life seen in the rocks are the descendants of the earlier forms. The evolutionist infers this. The fossils themselves show no more than the order of succession in which the different types of plants and animals appeared. Transitional forms which must have existed if evolution is a fact, and for which names were allotted in advance after evolution became fashionable—pro-this and pro-that—have failed to appear, although the whole earth has been ransacked for them during the past eighty years.

The anti-evolutionists contend that the fossils do not in the least support the idea of evolution of species from a common stock. Even an evolutionist like Professor Max Westenhofer writes in 1937 in his *Research and Progress* (iii, 92) : "All the larger groups of animals, e.g., fishes, amphibians, reptiles, mammals seem to have appeared suddenly on the earth, spreading themselves, so to speak, in an explosive manner in their various shapes and forms. Nowhere is one able to observe or prove the transition of one species into another, variation only being possible within the species themselves" (as quoted in Dewar's *More Difficulties*, p. 94).

Dr. W. Bell Dawson, F.R.C.S., a Laureate of the French Academy of Sciences, and a well-known Canadian geologist, says of the fossils : "This sequence is evidently the same as in Genesis; for in both, the creatures that swarm in the sea come first, and the land animals last. When each type of creature comes into being, it continues to the present day; as, for example, the sea shells, the crabs, and the reptiles; but in each type there is a magnificence in the past from which it has now deteriorated. Many ancient species are identical with forms still living; and many organs of their bodies, such as the claw of the lobster or the multiple eye of the crab, are precisely the same as in the earliest ages without any sign of improvement. Whole categories of facts such as these, seem to be lost sight of by those whose vision is obscured by evolutionary theories; for they run counter to any conception of evolution" (*The Bible Confirmed by Science*, pp. 73-74).

Another geologist, Joseph Le Conte, says : "The evidence of Geology today is that species seem to come into existence suddenly and in full perfection, remain substantially unchanged during the terms of their existence, and pass away in full perfection. Other species take their place, apparently by substitution, not by transmutation" (as quoted by Dawson, *op. cit.*, p. 75).

Evolution's first hurdle in the fossils is the sudden bursting into view in the Cambrian rocks of a highly developed aquatic fauna and flora. Scientists hold that the time required for life to reach the stage there exhibited was greater than for all the subsequent development. Yet they are unable to find evidence of this first half of evolution. In the earlier Pre-Cambrian rocks there is nothing save a few vague markings claimed by their discoverers as fossils, but everyone of which is disputed.

Mr. Dewar, in *More Difficulties of the Evolution Theory* (p. 114) states that, except for Walcott's supposed *Beltina* in North America and David and Tillyard's supposed *Eurypterid* in Australia (both of them kinds of sea-scorpions), the rest of the few alleged pre-Cambrian fossils are either supposed secretions, or marks made by animals or plants, or organisms that fit into no known group of animals or plants.

The president of the American Palaeontological Society said in 1935 that Walcott's find could not be accepted until verified by further discoveries; and Britain's leading scientific journal *Nature* of December 12, 1936, described the Australian find as "unconvincing." Even if the whole little handful of these disputed Pre-Cambrian fossils is accepted they still throw no light on the evolution of the mass of life abruptly appearing in the Cambrian rocks.

Evolution supposes that fishes turned into reptiles, and reptiles into birds, elephants, and men and so on. The innumerable transitional forms demanded by the theory cannot be found. At one time much was heard of the fossils, *Archaeopteryx*, a fully feathered bird with teeth, and *Archaeornis*, as links between bird and reptile, but even the Oxford University Evolution book of 1938 dismisses these as "indubitably birds" (p. 322). In Professor J. B. Pettigrew's *Design in Nature* (p. 207), Huxley is quoted as rejecting *Archaeopteryx* as a missing link as far back as 1876.

Mr. B. W. Tucker in this Oxford book devotes an essay to speculating on the kind of creature this "Pro-Avis" missing link may have been. Pycraft, he says, imagined an arboreal parachuting reptile taking flying leaps from tree to tree. Nopsca developed the idea of a two-legged running reptile waving its arms to increase speed. Mr. Tucker himself favoured the notion of an arboreal reptile with legs adapted for springing, a grasshopper kind of creature. Another scientist, Steiner, helped things on with a theory that wings developed by the edges of reptilian scales fraying out to form feathers. This problem in evolutionist "science" seems suitable for reference to the crossword puzzle fraternity. The fact of the matter is that the extinct giant flying reptiles had wings on quite a different plan from bird's wings. And there is no more evidence of how these wings were evolved than there is of the evolution of bird wings.

Putting these imaginings on one side, let us return to the *Encyclopaedia Britannica* for light on what has been actually observed in the rocks. Professor Julian Huxley in the encyclopaedia's evolution article has given us his word that the fossils provide "complete proof," and the reader is referred to the article on palaeontology to view this proof. There we are told that evolution is evidenced by the Ammonite series of fossils, the *Zaphrentis* coral series, the *Micraster* sea-urchin series, and finally the great horse series. None of these series shows one kind of animal changing into another kind. All that is exhibited is minor modification. In the account of the Ammonites the words "it is claimed" appear throughout. Of the *Zaphrentis* corals, the encyclopaedia says, "It is difficult to select a single case which can be regarded as conclusively established."

The *Micraster* sea-urchin makes a better effort. Mr. Dewar in his *More Difficulties* (pp. 195-207) deals with him on the same lines as the

encyclopaedia but more fully. It seems that Dr. Rowe, the great Micraster authority, sorted out 2,000 of these fossils according to geological age and traced out a continuing change in eighteen different characteristics. The Micraster changed his mouth in the course of ages from a circular to a crescent shape, he grew a lip, altered the lay-out of his spines, and so on. Yet when all was done he was just as much a Micraster sea-urchin as when he began. And there was nothing to show that the last Micraster of the series was any more than a variety fertile with the first. As nobody disputes the occurrence of variations, there is little here to help evolution.

However, the famed horse series of fossils is evolution's chief exhibit. The horse, according to the evolutionists, starts off about the size of a dog, and with five toes on his hind feet and four toes on his forefeet. He then decides that he has overdone evolution and starts shedding surplus toes until he finishes up with one per foot all round. Multi-toed horse fossils are found both in Europe and America. Some evolutionist horse pedigrees contain solely American fossils, some mix American and European fossils, and a less complete series can be made of European fossils only. Mr. Dewar prints in his *More Difficulties* (p. 144) two pedigrees by well-known palaeontologists, one with seven intermediate forms between Eohippus and the modern horse, and the other with five. The pedigrees have only two of these intermediate forms in common, and the rest of the ancestry is different.

This horse series, like the sea-urchin series, begins with a horse and ends with a horse. It does not exhibit any other kind of animal turning into a horse. There is nothing written on the fossils to say that the one-toed horse is descended from the many-toed horse. He may be, or he may not. According to the evolutionists, the one-toed horse appeared later. The anti-evolutionists say these statements are not above suspicion. They quote instances of rocks being arbitrarily re-dated to a later age because one-toed horses have shown up in the fossils in these rocks. Major Wren's *Evolution—Fact or Fiction?* (p. 86) says it is recorded as a well-authenticated fact that Mr. John T. Reid, a mining engineer, found fossil remains of a one-toed horse in a cretaceous formation in a coal-mine in Utah. If this is correct it makes the modern horse very much older than his supposed ancestors.

Mr. Dewar in his *More Difficulties* (pp. 139-148) thinks it possible that the one-toed horse may have been in existence all through. The present writer has no competence to express any opinion on the matter. All he can say is that there are so many admissions by evolutionists of faked or doctored evidence in different directions that a little more is neither here nor there. Everything is supposition. Evolution is supposed to be survival of the fittest, and the writer in turning over an old file of *Nature* noted Major Leonard Darwin saying in an address at the opening of Down House as a memorial to his famous

father, that no one had been able to fathom what benefit the horse was supposed to have derived by shedding toes.

Two opinions by well-known scientists on the vexed horse question may be of interest. Deperet, the French palaeontologist, says in his *Transformations of the Animal World* (p. 105) : "The supposed pedigree of the horse is a deceitful delusion, which ... in no way enlightens us as to the palaeontological origin of the horse." Professor J. Bell Pettigrew, F.R.S., professor of anatomy at St. Andrews, said in his *Design in Nature* (1908, vol. i, p. 217) : "By no means a strong case has been made out for the descent of the horse from a five-toed extinct mammal. Perhaps even less can be said when the teeth of the horse and its supposed ancestor form the fulcrum of the argument." It seems unnecessary to say more on the most-paraded item of evolutionist evidence from the fossils.

Of the other vertebrate fossils, the encyclopaedia says : "The equally complete stories of the camel, dogs, and titanotheres have not yet been published and cannot be intelligibly summarised." It is added that "the rhinoceros series is very complex." It is a reasonable inference that if these fossils provided any great evidence in support of evolution it would long ago have been placed on view.

The foregoing constitute the main items in the "complete proof" which evolutionists claim is to be found in the rocks. The anti-evolutionists do not appear irrational when they confess themselves unable to find any grounds therein for believing that fishes have turned into elephants. Mr. Dewar, in his *More Difficulties* remarks after sixty pages of detailed examination of the various evolutionary fossil series, that even if the claims are accepted at face value, the argument amounts to no more than inferring that a man can run 100,000,000 yards in 11,000,000 seconds because he has been timed to run 100 yards in 11 seconds.

Modern scientific literature enlarges on everything which can be made to support evolution, and passes over in silence all that lends no support to the theory. The public thus seldom has its attention directed to the fact that the earliest of all known plants show little signs of evolution. Yet the following statement made many years ago by Sir J. W. Dawson, F.R.S., F.G.S., in his *Geological History of Plants* still holds good : "The old Cambrian and Silurian seas were tenanted with seaweeds not very dissimilar from those of the present time." Present-day evolutionist chronology dates the Cambrian period to about 600,000,000 years ago, and the Silurian to about 400,000,000 years, and *Homo sapiens* to no more than 25,000 to 40,000 years back. The sea-weeds have had longer time than any other plants in which to transform themselves, and there is no transformation. Why ?

The most numerous by far of all animal things, and, according to evolutionists, older by far than reptiles, birds, and mammals, are the insects. Some entomologists estimate that of all animal

species insect species account for 80 per cent. The lowest estimates show insect species as considerably over half the total of animal species. In total numbers of individuals, insects must be at least four-fifths of the world's animal population. Pick up the average evolutionist book, and you will find very little about this immense principality of the animal kingdom. What have the fossils to reveal of insects? In the Smithsonian Report for 1931 Mr. R. E. Snodgrass, of the Bureau of Entomology of the United States Department of Agriculture, writes (p. 443) : "The oldest known insects of the geological records are so much like modern insects that palaeontology gives little assistance in a study of insect structures. Probably no other group of animals have so effectively covered their evolutionary tracks as have the insects." According to the current timetable, insects first appeared about 350,000,000 years ago, and among the earliest were the silverfishes and cockroaches we have with us virtually unchanged today. Where is the evolution ?

The all-pervasive influence of evolutionist dogma is noticeable in Mr. Snodgrass's statement quoted above. In remarking that palaeontology provides little of no evidence of insect evolution, lip-service is at the same time paid to evolution theory : the insects are said to have "covered their evolutionary tracks." That of which there is no evidence is implicitly assumed. From Mr. Dewar's *More Difficulties* (p. 172) one gathers that scientists endeavour to give an illusion of evolution among insects by assigning different species names to identical insects when appearing in different geological formations.

Darwin and his disciples have never been short of theories to account for the lack of fossil evidence of evolution. Darwin in his *Origin of Species* after significantly heading his first chapter on the subject "The Imperfection of the Geological Record," went on to say that the succession of forms in the rocks was consistent with evolution, and that it would be very wrong to "falsely infer" because the supposed intermediate forms were not there, that they had not existed. "Negative evidence," he affirmed "is worthless." In his introduction Darwin had said there was no scientific advantage in evolutionist belief over creationist belief unless evolution could be established as fact. When he comes to fossils he says what cannot be found must be imagined to have existed.

To account for the total lack of fossils in the Pre-Cambrian rocks Darwin offered the reader a choice of two theories. One was that the continents and oceans had since changed places, and that the missing fossils are now under the sea. This cannot be either proved or disproved until someone finds a way of draining off the oceans and having a look. Alternatively, Darwin suggested that the weight of the later strata might have squashed the supposed Pre-Cambrian fossils out of existence. Mr. Dewar in his *More Difficulties* points out that some

Pre-Cambrian rocks still bear impressions of rain drops and of ripple-marks where water had run over them in the days when they were loose sand. If such things remain, it is odd that all the multitude of supposed fossils should have vanished. Mr. Dewar catalogues five main theories and various sub-theories advanced by later evolutionists to account for the absence of Pre-Cambrian fossils. If one theory is accepted all the rest must be rejected.

Darwin had another theory ready to account for the absence of the intermediate forms between species. He argues that the fossil-iferous beds were deposited during periods in which the land was subsiding, and that in between times were long stationary ages when no fossilisation of animal and plant remains took place. In these stationary periods all the evolutionary transformations of species occurred. Evolution is thus a highly private affair, with everything done off-stage altogether from protoplasm to the Cambrian fossils, and with retirement to the dressing rooms for every subsequent transformation.

The stock cry of evolutionists from Darwin's day to the present time has been "the imperfection of the geological record." It is next door to a miracle, they assert, for any living organism at all ever to become fossilised. Well, it so happens that Mr. Dewar, whose valuable work has been so freely quoted herein, and Mr. G. A. Levett-Yeats, both Fellows of the Zoological Society, went to some trouble to compile statistics about fossilisation. Their figures showed that fossilisation was by no means so miraculous as had been supposed.

Taking existing genera of land mammals (that is, all mammals except bats and aquatic ones) these zoologists found that in Europe, where fossil-hunting had been most intense, these mammals had 100 per cent. representation in fossils. North America came next with 90.14 per cent., followed by South America, 72.09 per cent.; Asia, 70.15 per cent.; Africa, 49.65 per cent.; and Australia, 45.83 per cent. The figures thus indicate that if you look hard enough and long enough you have good prospects of finding fossil remains of all existing land mammals. Mr. Dewar holds that "theoretical considerations indicate that the chances are great that some specimens of every genus having hard parts will become fossilised during the period of the existence of that genus."

The interesting and significant part of the story is that a paper embodying the results of these investigations was offered by Messrs. Dewar and Levett-Yeats to the Zoological Society of London, of which they were both fellows. The paper (subsequently accepted by the Victoria Institute, vol. lxiv, 1932), was rejected on the grounds that its results led to no useful conclusions. The result was certainly not "useful" in helping on evolution's argument that what cannot be found must be imagined to have existed. Mr. Dewar further records that on the leading scientific journal *Nature* in 1937 publishing an as-

sertion by a correspondent that fossilisation was "almost a miracle," he wrote a short letter giving statistics, and this letter Nature refused to publish. Such are the methods by which belief in evolution is maintained and propagated in scientific circles in this dark age of ours. The above facts appear in Mr. Dewar's *More Difficulties*, chapter xvi.

The theory, of evolution postulates some enormous transformations in animals. It further requires that every stage in these transformations, shall be beneficial to the animal. There is no question of closing down during reconstruction, or even of putting up with present discomfort for future gain. Darwin laid it down in a letter in 1859 that every stage in the change must in itself be of advantage. The eminent Professor Goodrich is similarly quoted in the *Oxford Evolution book* of 1938 (p. 274), and he adds, "it is often difficult to picture the intermediate conditions."

Mr. Dewar goes slightly further than Professor Goodrich. He says it is not "difficult" but "impossible" to imagine some of the required transformations. In his *Challenge to Evolutionists* (pp. 52-57) he defies anyone to picture the conversion, for example, of a land mammal into a whale—which conversion all evolutionists assert took place. Each stage, remember, must make the animal fitter for existence than it was before. The land mammal, says Mr. Dewar, must first be converted into a seal-like creature; it must give up using its hind legs and drag them about behind it until hind legs and tail eventually grow together. Its pelvis must shrink in size, and the portion of the body behind the pelvis must somehow twist round on the front part so that the sides come uppermost and undermost, and the lateral motion of the seal-like stage is converted into the vertical motion of the whale stage.

The whale, moreover, gives birth to its young in the sea and suckles it under water. The mother has to develop muscles enabling her to force milk into the mouth of the young one. She has also to develop a cap round her nipple into which the snout of the young one fits tightly. The young one also requires to have its windpipe prolonged above its gullet to prevent the milk ejected by the mother from entering its lungs. All these modifications have to be effected before the young ones are born in the water. There can be no intermediate stages, Mr. Dewar points out, between being suckled in the air and suckled under water. Either sudden miraculous change must be imagined, or equally miraculous prophetic evolution with everything fixed up in advance of the event.

Such are the magical requirements of some evolutionist transformations, of the occurrence of which transformations neither the fossils nor anything else yields the slightest evidence. The imagination is required to take leap after leap. It now remains to view the summit of this monument of human credulity, the amazing collection of balderdash asserted to establish mankind's descent from the beasts of the field.

Chapter V

THE MONKEY-MAN FABLE

DARWIN discreetly waited twelve years after 1859 before applying his evolutionary speculations to human ancestry. His first lieutenant, Huxley, wasted no time in beating about the bush. In his scientific addresses, writings, and lectures to working men and others, Huxley forthwith preached the kinship of man and ape. A large section of the public today believes man's descent to be a scientifically established fact. Actually, this portion of the evolution theory has not so much as a feather to fly with.

Some years ago a London jury awarded a certain peer of the realm £30,000 in damages against the proprietor of a newspaper which had wrongfully described him as of Jewish descent. It would be an excellent thing if those of us who resent the evolutionist libel that our ancestors were apes or other animals were to club together and bring into court all the publishing-houses, professors, etc., proclaiming it. Nothing more would ever be heard of evolution if evolutionists were forced to come to light with evidence that a judge and jury would accept. If they failed to prove their words damages on a much higher scale than in the case quoted could very justly be claimed, for the moral harm done by evolutionist lying is immense, and this particular lie is a vile one.

The evidence in the monkey-man case rests on certain fossilised remains. The first of these to appear, consisting of a skull-cap and some fragments, was found in a cave near Dusseldorf shortly before the *Origin of Species* was published. Numerous other skulls of similar type have since been discovered, and are known as Neanderthal man. The earlier skulls were too incomplete to show the position of the aperture by which the spinal cord entered the brain. It was thus impossible to tell whether Neanderthal man stood upright or not. In conformity with their evolutionist imaginings, scientists for a long time assumed that Neanderthal man was a shaggy, crouching, apelike creature. A reconstruction of him on these lines was made by the eminent Professor Boule, director of the Museum of Natural History in Paris. Similar models appeared in other museums, and pictures were freely published. A few scientists protested, but they were ignored. In 1929 some more complete remains were discovered at Rome,

and showed Neanderthal man to have had an erect human posture and the evolutionist assumptions to have been unfounded (Dewar, Man, p. 38). Dr. H. H. Woollard, F.R.S., professor of anatomy in the University of London, in *Science Progress* for July, 1938, describes Neanderthal man as a primitive being, below but nearer to the Australian black than the Australian black is to the modern European.

Rhodesian fossil man is now ranked as of Neanderthal type, and Professor Wood Jones in his *Man's Place among the Mammals* has pointed out how lack of "a little elementary anatomical knowledge" (coupled no doubt with evolutionist dreamings) similarly caused Mr. W. P. Pycraft in a British Museum report in 1928 unwarrantably to turn Rhodesian man into another crouching ape-like being (quoted by Dewar, Man, p. 38).

Today the three chief alleged fossil "missing links" between man and ape are Java man, Piltdown man discovered in England, and Peking man. Apart from these is Heidelberg man represented by nothing but a massive fossil jaw-bone described by most anthropologists as essentially human but with some simian characteristics. It may be noted that Whitaker's Almanack for 1931 recorded that the remains of Deeming, a notorious Australian murderer of 1892, had been exhumed and were reported by Sir Colin Mackenzie, director of the Australian Institute of Anthropology, to have remarkable simian characteristics. Heidelberg man may thus have had as much or as little connection with the apes as Deeming had.

Java man, otherwise *Pithecanthropus erectus*, or Trinil man, was discovered by Dr. Eugene Dubois. In 1887 Dr. Dubois, then holding a junior position on the staff of Amsterdam University, surprised his colleagues by refusing promotion, and announcing his intention of going out to Java as a Dutch army doctor in order to hunt for evolution's missing link between man and monkey (vide Prof. Elliot Smith in *Smithsonian Report*, 1931). In 1894 Dr. Dubois duly returned with his alleged monkey-man and became the lion of the scientific world.

These fossil remains, which have ever since been the subject of controversy, consist of a skull-cap of chimpanzee type, with no forehead and beetling brows; two molar teeth; and a diseased thigh-bone of human type and about the size of that of a man 5ft. 7in. high. They were discovered by Dr. Dubois near Trinil in central Java, in a part of the bed of the Bangawan River only uncovered in the driest part of the dry season.

The point at issue is whether any ground exists for assuming these remains to have belonged to one and the same individual. The owner of the skull-cap obviously had a head very like that of a chimpanzee, but of exceptional size, for the largest existing ape has a cranial capacity of about 625 c.c., and the scientists figure it out that

the Java skull-top indicates a cranial capacity of about 900 c.c. Here it may be noted that an Australian aboriginal had a 1,250 c.c. brain-case, and a modern European averages around 1,400 c.c.

Whoever owned the Java thigh-bone very obviously stood upright, which no ape does. As for the two teeth, they are generally described as ape-like but unusual. Combine the fragments, and the result is a creature standing erect, with chimpanzee brows and no forehead, a human thigh, and with face, feet, body and arms left to be sketched in according to fancy.

Dr. Dubois' great discovery began with the finding of a tooth in the riverbed in September, 1891. A month later he discovered the skull-cap a yard away. Continuing his explorations of the same locality in September, 1892, he found the thigh-bone 50 feet away from where the skull-cap had been; and also the second tooth, 13 feet away from the thigh-bone and in the direction of the skull-cap. The skull-cap was water-worn and eroded. The teeth and the thigh-bone had their contours clear and sharp, and apparently had not moved since their original deposit.

Dr. Dubois attributed the erosion of the skull-cap to seepage from a cliff on the river-bank. In the report of the Smithsonian Institution of the U.S.A. for 1898 appears the text of an address delivered by Dr. Dubois to the Berlin Anthropological Society in 1896; and in the Smithsonian Report for 1913 is a very full paper on all the remains of fossilised man known to that date, compiled by Dr. A. Hrdlicka, curator of the Division of Anthropology of the U.S. National Museum, after a special mission to Europe to examine them for the Smithsonian Institution. From the plans, illustrations, and letterpress in these reports, it appears that the eroded Java skull-cap was up-stream from the uneroded teeth and thigh-bone. But no doubt water would run uphill to help on evolution.

In his Berlin address on his discoveries, Dr. Dubois stated that "associated with these bones" he had found fossil remains of *Stegodon* (an extinct elephant) and of a small deer, and "further away" remains of buffalo, antelope, ox, pig, rhinoceros, and hyaena. Sir Arthur Keith in his *Antiquity of Man* says that altogether Dr. Dubois removed from this spot in the bed of the Bangawan River between 1891 and 1894 fossils of twenty-seven different kinds of mammals. A German expedition under Madame Selenka also spent two years from 1906 making much more extensive explorations in the same spot and unearthed an immense quantity of miscellaneous fossils, but got no traces of monkey-men.

It thus appears that the scanty fragments constituting Java man were sorted out by their discoverer from a pretty complete Noah's Ark bone-heap. This discoverer, moreover, is stated to have sacrificed

a superior position in Amsterdam for an inferior position in Java for the express purpose of hunting for the monkey-man missing link predicted by evolution. Most of us in such case would be prone to view in the most hopeful light whatever oddments our digging in tropical riverbeds might produce. We would have our monkey-man or perish in the attempt.

Dr. Dubois told the Berlin savants in 1896 that "in other situations of the same stratum" he had found fossil remains of a gigantic scaly ant-eater and of hippopotamus. He did not tell them that in these "other situations" there had been discovered in 1889 at Wadjak about fifty miles from Trinil, a fossil human skull of Australian black type, and that he himself in 1890 had there unearthed a second fossil skull of the same type. These interesting facts Dr. Dubois strangely withheld from publication until 1920, fully thirty years on. According to *Nature* for January 6, 1921, he then casually disclosed them following on discussion of a find of fossil man at Talgai, Queensland. Possibly Dr. Dubois had good reasons for keeping quiet for so long. At the same time it requires no great powers of penetration to perceive that the cause of evolution might not have been helped by revealing true man as in existence along with his supposed monkey-man ancestor. As Sir Arthur Keith remarks, to have put all the articles on the table simultaneously would have provided the learned with more than they could digest—perhaps with more even than they could swallow.

Java man—still evolution's chief mainstay—appears throughout his career to have been shrouded from the gaze of profane eyes. One finds Dr. Hrdlicka writing thus in the Report of the Smithsonian Institution for 1913 : "All that has thus far been furnished to the scientific world is a cast of the skull-cap, the commercial replicas of which yield different measurements from those reported taken of the original, and several not thoroughly satisfactory illustrations: no reproductions can be had of the femur and the teeth, and not only the study, but even a view of the originals, which are still in the possession of their discoverer, are denied to scientific men." Dr. Hrdlicka, official emissary of the great Smithsonian Institution, presided over by the President and Chief Justice of the United States, was refused permission even to inspect the originals. He described the position as "anomalous."

Since 1936 two incomplete skulls and some skull fragments, similar to the Java man skull-cap, have been discovered at Sangiran in Java by Dr. G. H. R. von Koenigswald, as recorded in *Nature* of December 2, 1939. The most complete of these gives a cranial capacity of 835 c.c, according to its discoverer, as against the 900 c.c. estimated for the Dubois Java man. No human-like thigh-bones or other skeletal parts had been discovered up to the last report seen by the present writer.

There has never been the least agreement among scientific men that Dr. Dubois was justified in assuming his skull-cap and thighbone to belong to the same individual. In his Berlin paper of 1896 Dr. Dubois tabulated the opinions of about a score of leading scientific men on the remains, showing the utmost variance. Finally, to cap all, Dr. Dubois himself in 1938 announced that after prolonged study of anthropological textbooks, of the *Pithecanthropus* bones, and "of other material from the same provenance in his possession, for the most part not previously published," he was of opinion that "we are here concerned with a gigantic gibbon."

In making this announcement in its issue of February 26, 1938, *Nature* flatly refused to yield up Java man as evolution's prize exhibit. Dr. Dubois' new conclusions about his fossils, it said, had been received "with respect, but not with general acceptance; and in the light of the new evidence must be regarded as definitely disproved." This leading scientific journal then asserted: "*Pithecanthropus* now stands within the line of human descent, if only as a pre-hominoid."

It thus appears that the editor of *Nature* is a better authority on Java man than its discoverer. Nevertheless, whatever *Pithecanthropus* may have been, it is quite impossible for him to have been ancestral to man, as we shall see later. *Nature's* dogmatic statements, moreover, are extremely rash in view of Dr. Dubois' announcement that even after half a century he still has some cards up his sleeve in unpubli-cised Trinil fossils. Java man would probably never have been heard of, had Dr. Dubois in 1894 placed his two Wadjak human skulls on the table alongside his Trinil chimpanzee skull-cap and human thighbone. Java man is hardly likely to be abandoned by his discoverer without the very best of reasons.

Piltdown man, otherwise *Eoanthropus*, or Dawn man, is the next item on the monkey-man list. He hails from a fossil-bearing stratum six inches thick, near the bottom of a small gravel pit, four feet deep, used for metalling a by-road on the Sussex Downs, eight miles north of Lewes. Piltdown man consists of nine small fragments of skull-bone, and rather less than half of a chimpanzee-like jaw bone. There was not much of him altogether, and he was discovered in sections over a considerable period of years by Mr. Charles Dawson, solicitor of Lewes, an amateur fossil-hunter. Toward the end the assistance was secured of Dr. (later Sir) A. Smith Woodward, of the British Museum staff and soon afterwards president of the Geological Society.

This jig-saw puzzle was laboriously fitted together—so far as it would fit—to form part of the top and back of a skull. The vacant spaces were filled with plaster of pans, with forehead and facial bones duly modelled in plaster. Finally, the jaw-bone, with its missing three-fifths also completed in plaster, was neatly hung on in front. The resulting monkey-man was then exhibited to a crowded and

sensational meeting of the Geological Society in London on December 18, 1912.

Piltdown man as first presented was announced to have a cranial capacity of 1,070 c.c., which puts him ahead of Java man's 900 c.c., but well below the Australian blacks' 1,250 c.c. He has been several times reconstructed—apparently with still more generous assistance from the plaster-pot—as he is nowadays quoted as measuring 1,300 c.c. in cranial capacity.

The chief of the numerous points at issue in this highly conjectural item of evolutionist evidence is whether the chimpanzee jawbone ever had any real connection with the human skull fragments. It is a debatable point, and there is the utmost diversity of opinion in scientific circles on it. There is reason for doubt, for along with the skull fragments and jaw-bone there were extracted from this six-inch wide fossil-bearing stratum the following things : A tooth of a mastodon, a tooth of a Stegedon (an extinct elephant previously unknown in Western Europe), two teeth of a hippopotamus, two teeth of a beaver, the femur of an elephant shaped up for use as a tool, and finally some flint implements. There would appear to be nothing wildly incredible in a real chimpanzee having contributed part of a jaw-bone to this miscellaneous zoological collection.

Piltdown man got the late Mr. Charles Dawson a monument, and helped Dr. Smith Woodward on to the presidency of the Geological Society in 1914 and a knighthood later on. His claims are by no means universally accepted, for one finds Professor Sir Grafton Elliot Smith stating in 1931 of this evolutionist exhibit: "Even today many Continental anthropologists refuse even to refer to it in treatises on fossil man, or when they do, brush it aside as so doubtful that it is best to ignore it" (*Nature*, June 27, 1931).*

Peking man, the final exhibit of the series, next presents himself to our view. He hails from the floor of a cave in a disused limestone quarry, thirty-five miles southwest of Peking in China. In the Smithsonian Report for 1931 Professor Elliot Smith stated that Dr. Davidson Black, on learning of the discovery of a peculiar fossil tooth somewhere near Peking, went out to China to join the Chinese Geological Survey in the hope of finding a fossil monkey-man. In 1929 Dr. Black made his first discovery of an incomplete skull. A considerable number of skulls have since been found, one or more complete enough to show the nose as broad and flat; and the cranial capacity of the skulls is put at from 1,000 c.c. to 1,100 c.c.

These remains so closely resembled the chimpanzee-like Java skull-cap that there was long argument whether Peking man was sufficiently distinct from Java man to be allotted a scientific name of

* In an article in the *Times* of Nov. 21st 1953 a British Museum correspondent admitted the fraudulency of Piltdown Man. (Editor)

his own. Eventually he was christened *Sinanthropus*, though some scientists affirmed that there was next to nothing to distinguish him from *Pithecanthropus erectus* of Java. In *Nature* of December 2, 1939, it was recorded that seven thigh-bones of Peking man had been discovered, mostly incomplete shafts, and according to the descriptive matter they lacked the human characteristics of the Java thigh-bone. Incidentally, it may be noted that along with Peking man there were also found in the cave floor remains of over fifty types of mammals, as well as fossil frogs, snakes, turtles, and birds. Up to 1930 no less than 1,475 cases of fossil bones were removed from the site (vide Prof. G. B. Barbour at the British Association, *Nature*, September 27, 1930).

Java man got his semi-human attributes by assumption that a human thigh-bone had belonged to a chimpanzee skull-cap. Peking man is Java man over again, but without any human thigh-bone. In view of the condition of uncritical credulity induced in the scientific mind by the evolution theory, the layman must be pardoned for wondering if the position is that Peking man climbs up to semi-human status on Java man's knees—or Java man's thigh-bone, to be precise. If such is the case, one can understand the total havoc which would be wrought in mankind's evolutionary ancestry were Dr. Dubois permitted to fling Java man to the wolves as a mere ape and nothing more. Not only would evolution's No. 1 exhibit vanish, but down with it would crash Peking man also. The sole remaining monkey-man would then be Piltdown man. And when the plaster of paris is removed how much is left of Piltdown man? Nothing but a few fragments of bone which look as if they might all be packed up inside a breakfast cup. It may be that the editor of *Nature* scented this impending tragedy when he so flatly refused to part with Java man on any consideration whatsoever—not for all the Dr. Dubois in the world.

We now come to the final point. No matter just what Java man, Piltdown man, and Peking man may have been, it is quite impossible for them to have been ancestors of man. The reason is that full-fledged man, *Homo sapiens*, was already in existence, cooking his breakfast, making his tools, and going about his daily business when evolution's alleged missing links appeared.

Mr. Dewar, F.Z.S., in his *More Difficulties of the Evolution Theory* (p. 93) points out that fossils of men of modern type have been discovered in deposits "certainly at least as old as, probably older than" those containing Java man, Peking man, etc. He enumerates the Castenedolo, the Olmo, and the Calaveras fossil skulls, the Oldoway and Clichy skeletons, and the Abbeville, the Foxhall, the Kanam and Kanjera fossil jaws. Mr. Dewar is an anti-evolutionist, and anti-evolutionists are beyond the pale in well-conducted scientific circles. We therefore lay his statements aside.

We turn instead to the leading British scientific quarterly review *Science Progress* issued by the highly respectable publishing house of John Murray. In the number for July, 1938, we find there an article on "The Antiquity of Recent Man" by Professor H. H. Woollard, F.R.S., professor of anatomy at University College, London. Needless to say, Professor Woollard is an evolutionist. No anti-evolutionist would for one moment be permitted to occupy the post he holds. However, Professor Woollard is an unusually candid evolutionist.

In his article he reviews the various fossil men. He thinks "there cannot be absolute certainty" that the two bones, plus two teeth, constituting Java man belonged to the same individual. The thighbone is "indubitably human," and the skull-cap "recalls in many ways the form of the acrobatic gibbon." Java man and Peking man form "one type." The Heidelberg jaw is "essentially human," but "the resemblance to the anthropoid jaw is especially close." The Piltdown skull fragments differ only from a modern skull in being unusually thick, and the jaw "resembles most closely that of a chimpanzee and looks incongruous with the skull." In view of later discoveries of fossil man in England, Professor Woollard rejects the jaw as in no way connected with the skull fragments. This leaves Piltdown man just' a plain human being.

As to the age of the various remains, Professor Woollard puts Java man and Peking man as contemporaries in the Lower Pleistocene; Heidelberg man in the Middle Pleistocene; Piltdown man in the Lower Pleistocene, or even earlier; and Neanderthal man in the Upper Pleistocene. As previously stated, Professor Woollard describes Neanderthal man as a more primitive human being than the Australian black, but nearer to him than he is to the modern European.

Professor Woollard remarks that Java man, Peking man, and Neanderthal man form a series rising in cranial capacity, and are regarded by palaeontologists as forming a sequence in the emergence of man from the lower animals. He adds : "The difficulty in feeling content with this view arises because in sharp contrast with these fossil types others have been discovered which are in no way different from modern man, and which are as old, or even older, than those just described." Professor Woollard remarks that, "obviously people living contemporaneously cannot be ancestors to one another."

"The other aspect of the matter, "he continues, "is illustrated by a series of fossils which have been found in various parts of the world, but curiously with quite uncommon frequency in England. A series of very ancient fossils has been found which attest the fact that the modern Englishman, so far as his anatomy goes, extends backwards into the past to a time when in other countries man was distinguishable with difficulty from the ape."

The English skulls referred to by Professor Woollard are the

Swanscombe skull discovered in 1937; the skull discovered in 1925, in excavating for foundations for Lloyds Bank in Leadenhall Street, London; and a third fossil skull found at Bury St. Edmunds. All these he says, date at least to the Early Pleistocene.

Professor Woollard's own evolutionist view is that "man started abruptly, and that in the ancestral stock there was a period of great instability and change, and by mutations many new types were evolved." In other words, you go to bed one night as a chimpanzee (or whatever animal is preferred), and wake up next morning as full-fledged man, with powers of speech, a taste for music, and a faculty for mathematics. Science will swallow anything to dodge away from the idea of God Almighty having had anything to do with man's appearance upon the earth. Needless to say, Professor Woollard adduces no evidence in support of a sudden magical transformation of animals into men.

The degraded condition of much present-day biological science is pretty evident from some of Professor Woollard's candid statements. Consider, for example, the implications of the following :

"If two fossil men are found on the same geological level, and one has a large brain and the other a small brain, invariably it will be shown on a genealogical map that the man with the small brain emerged much earlier from the common stock than one with the big brain. This, of course, is an anatomical inference drawn so because of preconceptions that the evolutionary process must proceed by gradations. It is not founded upon any knowledge got from palaeontological evidence."

And again : "The discovery that recent man has a vast antiquity, in fact greater than any other variety, most anatomists have always tried to get round or minimise by making all hominoid fossils carry pithecoïd features which are absent in present-day man."

These are plain and open admissions by a front-rank evolutionist that evolution is kept going by faked facts and doctored evidence.

We have now gone over the evolutionist "evidence"—if such it can be called—of man's alleged animal descent. Mr. Dewar states no more than plain fact when he says that despite a search extending over the greater part of a century, "it is not possible to point to any fossil and say of it : the species represented by that fossil, while not human, is ancestral to man" (More Difficulties, pp. 93-94).

Having looked over the actual facts in some detail, it is instructive to note the kind of statement to be found in book after book on the shelves of the public libraries in English-speaking countries today. Typical of what is palmed off on an unsuspecting public as established fact, is the following, from *Man, the Slave and Master* by Dr. Mark Graubard, published by Dent and Sons, London, in 1939, after first appearing in the United States :

"The oldest fossils pertaining to man, almost a true missing link, is the ape-man of Java, with a brain intermediate in size between ape and man, yet walking upright like a man, as his skeletal structure indicated beyond a doubt. There is also the Piltdown or dawn-man with large canines and small forehead and ape-like jaw. And finally we have the Peking man, definitely outside the genus homo, but more advanced than the ape. The oldest distinctly human fossil is probably that found near Heidelberg and called the Heidelberg man . . . The ape-man of Java and the Piltdown and Peking men all existed about a million years ago . . . The Heidelberg man roamed the earth about half a million years ago."

A suburban grocer selling under-weight butter or adulterated foodstuff is hauled before the courts and punished if detected, but it is nobody's business that reckless evolutionist rubbish, without a rag of fact to support it, is ground out wholesale on the printing presses to poison the public mind. To their everlasting honour there are a number of scientists who have refused to countenance the monkey-man fabrication.

Here is what Professor Wassmann says in his *Modern Biology*: "It is nothing short of an outrage upon truth to represent scanty remains, the origin of which is so uncertain as that of *Pithecanthropus*, as absolute proof of the descent of man from beasts in order to deceive the general public." .

Dr. Clark Wissler, Curator-in-Chief of the Anthropological Section of the American Museum of Natural History, said in the *New York American* of April 2, 1918: "Man, like the horse, or the elephant, just happened anyhow . . . Man came out of a blue sky so far as we have been able to delve back."

Professor W. Branca, of Berlin, says in *Fossil Man*: "Palaeontology tells us nothing on the subject, it knows of no ancestors of man." Professor J. Reinke, of Kiel University, says in his *Monism and its Supporters*: "We are merely having dust thrown in our eyes when we read in a widely circulated book the following words: 'That man is immediately descended from apes, and more remotely from a long line of the lower vertebrates, remains established as an indubitable historic fact, fraught with important consequences.' . . . The only statement, consistent with her dignity, that science can make, is to say she knows nothing about the origin of man."*

Mr. Douglas Dewar says in his *Man, a Special Creation*: "The way in which the public is deluded by complete pictures of man's

*These four statements are quoted from Major E. C. Wren's *Evolution: Fact or Fiction?* p. 68.

supposed ancestors, based on a jaw or a piece of a skull or even a tooth, is scandalous. The public has no idea that these pictures are pure figments of the imagination."

The extent to which evolutionist imaginings can dominate the scientific mind was illustrated by an incident in the United States in 1922, as quoted in Major Wren's *Evolution—Fact or Fiction*. A single molar tooth was found in a Pliocene deposit in Nebraska. The great palaeontologist, Professor H. F. Osborn, then president of the American Museum of Natural History, described it as belonging to an early type of monkey-man which he duly christened *Hesperopithecus*. At this date, Mr. William Jennings Bryan was denouncing evolution, and Professor Osborn made the discovery of *Hesperopithecus* the occasion for the following rebuke to Mr. Bryan: "The earth spoke to Bryan from his own State of Nebraska. The *Hesperopithecus* tooth is like the still small voice, its sound is by no means easy to hear . . . this little tooth speaks volumes of truth"—of man's animal descent.

In England the eminent anthropologist, Professor Sir Grafton Elliot Smith, induced the *Illustrated London News* to publish an article on this ancestor of humanity, illustrated by drawings of *Hesperopithecus* and his spouse—all on the strength of one small tooth. Presently, it was established that the tooth was that of a peccary, a kind of pig, and *Hesperopithecus* disappeared from view. In its 1929 edition the *Encyclopaedia Britannica* felt it necessary to make reference to this lost asset of evolution, but it wrapped up the horrid truth as well as it could by disclosing no more than that the tooth was eventually found to belong to "a being of another order"—which was one way of spelling "pig" in twenty letters.

In 1925 the State of Tennessee passed a law forbidding the teaching of evolution in its schools, and Mr. Bryan, just before his death, successfully appeared as chief anti-evolutionist counsel in a test case at Dayton, which was given wide publicity, with universal newspaper ridiculing of him. The case was promoted and financed on the evolutionist side by the American Civil Liberties Union, and it is not inappropriate to note that six years later a United States Congressional Committee on communist propaganda said of this body, "fully ninety per cent of its efforts are on behalf of communists who have come into conflict with the law" (House of Representatives' Report No. 2290, 1931, p. 56). Allusion is made to this Tennessee case in a passage in Mr. R. C. Macfie's *Theology of Evolution*, published in 1933. He says:

"So long as the question is as open as at present, it is scandalous that children and students should be taught as a proven fact that their ancestors were apes, and should be shown abominable pictures of primitive man as a shaggy ape-like creature with a low forehead, receding chin, bowed back, and bent legs. Such science is a disgrace to

the spirit of science and a crime against humanity, fit only for the yellow press, and the Catholics and Daytonians deserve honour for declining to accept a totally unproven hypothesis."

The gospel of man's animal descent is the crown of the evolution theory, and to it all the rest leads. The evidential standards of modern evolutionist science represent probably the lowest point in intellectual degeneration reached by civilised man in the past two thousand years. All is wildest assumption and limitless credulity, and with no other end in view than to arrive, by hook or by crook, at the most debased view of human origins which the mind of man is capable of conceiving.

Chapter VI

HOW EVOLUTION WAS BORN

A SIGNIFICANT fact about evolution is that the central idea of the Darwinian theory is not based upon anything observed in nature. Darwin states that he opened his first notebook for facts in relation to the origin of the species in July, 1837, at which time he was twenty-eight years old. He had observed affinities between living and extinct species in his work as a naturalist during the voyage of the *Beagle*. He had also noticed how man had produced varieties of domesticated plants and animals by selection in breeding. These observations had led to belief in evolution. "But," he relates, "how selection could be applied to organisms in a state of nature remained for some time a mystery to me" (*Life and Letters*, i, 83).

Illumination came in October, 1838. It came by Darwin reading the famous *Essay on Population* of the Rev. Thomas Malthus, with its gospel of an intense struggle for existence in consequence of living things increasing faster than food supply increased. Darwin's own observation in his work as a professional naturalist had not impressed any such idea on his mind as the outstanding fact in nature. The reader will do well to reflect whether this supposed eternal remorseless struggle for existence is a thing which drives itself into his own consciousness in his wanderings abroad. Does he witness it in his garden, about the countryside, in the wilderness, in the air, in the waters? Is he presented with a view of a world with every cranny bursting to suffocation with life, and with the surplus production dying from starvation or trampled underfoot? Is this evolutionist idea of "Nature red in tooth and claw," with the mangled remains of the unfit strewn in every direction, something real existing for all mankind to see, or is it a dream—a scientific nightmare?

Darwin certainly had no idea of this fierce struggle for existence as a factor in evolution until he read Malthus. Having adopted the idea as the foundation of his theory, he spent the next twenty years collecting facts to support it. This work involved correspondence with naturalists and others in all parts of the world. Among Darwin's correspondents was a young naturalist named Alfred Russell Wallace. In June, 1858, Darwin received from Wallace, then on an expedition to the East Indies, a paper which Wallace said he would like to have

read before a scientific society, and he asked Darwin to arrange this. Darwin looked at the paper, and was prostrated with mortification to find that it set forth exactly his own idea of evolution by natural selection, or survival of the fittest in the struggle for existence.

The question thus arises where Alfred Russell Wallace got his idea of the struggle for existence. How close it was to Darwin's may be gathered from the letter which Darwin in his anguish wrote to his friend Sir Charles Lyell, the eminent geologist : "Your words have come true with a vengeance—that I should be forestalled... if Wallace had read my MS. sketch written out in 1842 he could not have made a better short abstract! Even his terms now stand as heads of my chapters. . . So all my originality, whatever it may amount to, will be smashed. . . " (Life and Letters, ii, 116). Darwin had guarded his great idea very closely, for in a letter to Lyell a week later all he seemed able to think of as proof of his priority over Wallace was that his intimate friend Hooker, the botanist, had seen his earlier sketch, and that more recently he had given Professor Asa Gray in America an extremely vague and guarded outline of his ideas. As history records, this matter of priority was adjusted by Lyell and Hooker arranging for the reading of a paper by Darwin along with Wallace's paper at the Linnxan Society on July 1, 1858. Evolution thus saw the light with Britain's leading geologist and leading botanist standing as sponsors with explanatory remarks.

Wallace had arrived at exactly the same idea as Darwin, and he had reached it in exactly the same way. He had not observed an intense struggle for existence as a fact of nature. All that had happened—as Wallace relates in his autobiography and elsewhere—was that he had chanced to read Malthus on Population, and then sat down and dashed off an essay on evolution by survival of the fittest in the struggle for existence. After publication of the *Origin of Species* it came out that Dr. W. C. Wells had read a paper to the Royal Society in 1813 on evolution by natural selection, and that in 1831 Mr. Patrick Matthew had embodied the idea in the appendix to his book on Naval Timber and Aboriculture. It does not appear where these writers found their inspiration. There would be nothing wildly improbable in it coming from the same source, for Malthus published his book in 1798 and it was soon attracting the widest attention.

We therefore turn to the famous Essay on the Principle of Population as the fountainhead of the mighty river of evolution. At last, surely, we shall find it here related just where in nature the Rev. Thomas Malthus witnessed this remorseless struggle for existence. Again we are doomed to disappointment. Before we finish perusing the first two pages of his first chapter we find Malthus in a footnote referring us to Benjamin Franklin's *Miscellany*, page 9, as the place to learn about the struggle for existence. The present writer has not had access to this last-named book. He is thus unaware whether Ben-

jamin Franklin saw anything for himself, or whether he in turn derived the idea of living things increasing faster than food supply from yet another book. He notes, however, a statement in Buckle's *History of Civilisation* (World's Classics edition, ii, 247) that it was Voltaire who first threw out this foundation idea for so many theories. As Franklin was United States envoy and minister in France in Voltaire's day, and according to his biographers was intimate with Voltaire, it may be that he picked up the notion there. Our search for evolution's origins thus leads back once more to the peculiar brand of philosophy on which the French Revolution was incubated.

Malthus opens his famous book by stating that his object is "to investigate the causes which have hitherto impeded the progress of mankind towards happiness," and in particular "the constant tendency in all animated life to increase beyond the nourishment prepared for it." Malthus then adds :

"It is observed by Dr. Franklin that there is no bound to the prolific nature of plants or animals but what is made of their crowding and interfering with each other's means of subsistence. Were the face of the earth, he says, vacant of other plants, it might be gradually sowed and overspread with one kind only, as for instance with fennel; and were it empty of other inhabitants, it might in a few ages be replenished from one nation only, as for instance with Englishmen. This is incontrovertibly true. . ."

An Australian writer, Mr. O. C. Beale, in his *National Decay* (1910, p. 33) remarked that so far from being incontrovertible truth, the spread of fennel quoted by Malthus was a strange and venturesome untruth. No botanist, he said, would admit the statement as being true for fennel or any other plant. Nor had anybody knowledge that Englishmen could survive through ages all over India or throughout Africa.

Mr. Beale noted, to begin with, that this supposed profound truth of Malthus—in reality the foundation of the most colossal errors of all time—is remarkable for its laxities of expression. "Causes," for instance, cannot impede progress : only impediments impede. Is it so sure that there is a "progress of mankind towards happiness ?" In any case this abstract and intangible phrase is no basis for a proposition of importance. As for "the constant tendency in all animated life to increase beyond the nourishment prepared for it," we may assume that by "prepared" Malthus means "available," as otherwise the preparation would be in default. Mr. Beale remarks that Malthus was asked by someone what he meant by a "tendency" which nowhere had the effect ascribed to it. The question remained unanswered. Where was the evidence that mankind, for instance, had ever pressed upon the planet's limits of production ?

The social philosophy of the Rev. T. Malthus was expressed in its most naked form in a paragraph in his first edition, but which he

discreetly suppressed in later English editions. As translated back by Mr. Beale from the French edition, it reads as follows :

"A man born into a world already occupied, if his family can no longer keep him, or if society cannot utilise his work, has not the least right whatever to claim any share of food, and he is already one too many upon the earth. At the great banquet of Nature there is no cover laid for him. Nature commands him to go and she is not long in putting this order herself into execution."

Malthus, writing at a time when the British Isles had a population of 12 millions as compared with their present 47 millions, urged immediate restriction of population as the way to social betterment. He preached voluntary limitation of families, abolition of outdoor poor relief, and the herding of the poor into workhouses with hard fare and husband and wife separated so as to check breeding. These eminently Christian ideas were adopted in part in the British Poor Law of 1834.

The name of Malthus is most prominently associated with the modern practice of birth restriction. "The infant," said Malthus, "is of comparatively little value to society, as others will undoubtedly supply its place. Its principal value is on account of its being the object of one of the most delightful passions in human nature—parental affection." France was the first country to adopt the Malthusian doctrine of baby restriction, and France has been the first great European nation to go under. In Britain it was preached with immense success by John Stuart Mill, George Jacob Holyoake, Charles Bradlaugh and Annie Besant, and the birthrate of the whole British race has now fallen below the point necessary to maintain population.

From Malthus also was derived in large part the inspiration of David Ricardo's *Principles of Political Economy*, as Ricardo himself admitted therein. The Ricardian doctrine of every man for himself and devil take the hindmost coloured all nineteenth century economic thought: and, via Ricardo, the Malthusian gospel of the struggle for existence was transformed by Marx into the class war of his revolutionary socialism. Malthus thus helped to provide bloodthirsty Bolshevism with its theoretical outfit.

Finally, through Charles Darwin the same Malthusian teaching became the foundation of the theory of organic evolution, itself in turn the sheet anchor of materialism and atheism; and with a large percentage of its adherents attached also to the birth-control and Bolshevik fruits of the same tree.

Such is the enormous fabrication of error built upon one fantastic untruth. No one has ever seen this imagined, continuous intense struggle for existence with all living things pressing to the limits of food supply, and with mass starvation of surplus population. The whole thing is a dream. All animals have to bestir themselves to get their

breakfast it is true : but that is all there is to it. Even the orthodox evolutionists today are unable to discover Darwin's imagined struggle for existence. "It is the doctrine of Malthus applied with manifold force to the whole animal and vegetable kingdoms," said Darwin in his *Origin of Species*. Here is what a modern specialist has to report. The extract is from the Oxford book on *Evolution* of 1933, to which reference has been made in previous chapters. The writer of the essay quoted is Mr. Charles Elton, director of the bureau of animal populations at Oxford University. He says :

"A first impression might be that every niche has long ago been filled with plants and animals dependent on plants, that the habitats are full to bursting point with life. . . This concept fits plant life fairly well, but it is not true of animals. It is obvious to any naturalist that the total quantity of animal life in any place is an extremely small proportion of the quantity of plant life. This general observation has been amply confirmed by all recent studies of the biomass of animal species or animal communities. For example, the bird life on an acre of rich farm land with trees and hedges and grass and crops may be only a few kilograms in weight. The animal life is widespread, it has, so to speak, staked out its numerous claims, but has seldom succeeded in exploiting them to the full. Only in certain inter-tidal communities of the sea do we feel that animals have reached the limits of the space that will hold them. Even here it is, cosmically speaking, a tiny film of life" (pp. 129-130).

"From this situation we may conclude that, on the whole, animal numbers seldom grow to the ultimate limit set by food-supply, and not often (except in some parts of the sea) to the limits of available space. This conclusion is also supported by the general experience of naturalists, that mass starvation of herbivorous animals is a comparatively rare event in nature. . ." (p. 130).

"Fluctuations occur in every group of animals and in every habitat that has been investigated . . . Although the amplitude of fluctuations is often very great, . . . two things that we might expect do not often happen. The first, complete destruction of vegetation by herbivorous animals, has already been mentioned. The second is complete destruction over any wide area of either predators or prey" (p. 131).

Thus this specialist in charge of a bureau set up to investigate the matter of animal numbers can find no sign whatever of the Malthus's imagined universal tendency of all living things to multiply and increase beyond the available food supply. The whole Darwinian theory of evolution, basis of all modern biological science and proclaimed on every hand as established fact, rests on something that never was on land or sea.

"Only in certain inter-tidal communities of the sea," says Mr. Elton, "do we feel that animals have reached the limits of the space

that will hold them." We all know these spaces on certain beaches where at low-water we find a mass of pools and living things. What are the commonest objects meeting the eye in such spots ? The answer is, mussels and seaweed. If there is a struggle for existence, mussels' and seaweed are thus in the very mid-centre and vortex of it. Evolution should here be proceeding at top-speed. What are the actual facts? The eminent Professor J. Ritchie in his presidential address to the zoological section of the British Association in August, 1939, handed down the latest bulletin about mussel evolution. He said: "The edible mussel (*Cardium edule*) has retained its specific characters for two million years or more, its genus in a wide sense lived 160 million years ago in the Trias" (*Nature*, Sept. 23, 1939). In other words, so far from evolving into something else, the mussel, packed up twenty to the dozen on his perch, has not changed a whisker in two million years, and was a perfectly good mussel 160 million years ago. As for seaweed, we have already noted the statement by Sir J.W. Dawson, that the seaweeds of today are "not very dissimilar from those of the Cambrian and Silurian seas—dating back 600 to 400 million years ago, according to the same fashionable evolutionist chronology. Where is the fabled evolution ?

The great evolution theory falls down flat at the very first hurdle, the supposed struggle for existence. This struggle for existence is affirmed to result in Natural Selection. Very well, we get our evolutionist steed up on his feet and start off again. Down he falls once more. "No recognised case of Natural Selection really selecting has been observed," states Professor Vernon Kellogg (*vide* Major Wren's *Evolution*, p. 91). That is to say, all sorts of individual variations occur in organisms, but no instance at all is known of individuals with favourable variations supplanting individuals with unfavourable variations.

Let us persevere once more. Natural Selection, according to evolutionist doctrine, results in survival of the fittest. Once more evolution fails to make the jump. "The non-utility of specific characters is the point on which Natural Selection as a theory of the origin of species is believed to fail," says Professor D. H. Scott (*Extinct Plants*, p. 22), and many other scientists say the same thing. Species are just different in some way from the next nearest species, but no particular usefulness can be discovered in the characteristics distinguishing the one species from the other.

The actual fact of the matter thus appears to be that there is no intense struggle for existence; there is no Natural Selection; and there is no onward and upward evolutionary progress of the more fit re-placing the less fit. Every part of the theory of evolution crumbles away to nothing when examined. These things are the foundations of the whole edifice. In earlier pages we have noted the total absence of evidence that living things can break through their breeding limits.

No such thing has ever been observed, and every attempt to produce it by experiment has failed. Eighty years of fossil-hunting has totally failed to produce the intermediate forms between species which evolution says existed. The imagined embryological evidence of evolution is nowadays rejected by evolutionists as amounting to nothing at all. The vestigial organs, the "plain inutility" of which, to use Darwin's words, showed them to be survivals from past forms of being, are all the time turning out to be useful and not useless : they thus steadily and increasingly vanish as evidence of evolution. From top to bottom there is nothing whatever that will hang together. Evolution is the biggest scientific fraud of all time.

We have noted how Darwin spent twenty-one years collecting matter to support his theory of evolution before he published the *Origin of Species* at the end of 1859. His letters show quite clearly that even at the end, on the very eve of publication, Darwin had not succeeded in convincing himself. On November 23, 1859, he wrote to Lyell, ". . . Often a cold shudder runs through me, and I have asked myself whether I may not have devoted my life to a phantasy" (*Life and Letters*, ii, 229). Two days later he wrote to Huxley. "I had awful misgivings, and thought perhaps I had deluded myself as so many have done" (*ibid*, ii, 232). That was all the actual belief in his theory Darwin was able to muster up with advance copies of his book in the hands of his friends. He saw and knew in his heart that he had produced nothing but a patchwork of incoherent guesses. No man who feels the firm ground of truth beneath his feet writes in such a strain as Darwin wrote in these letters.

Beside his main theory Darwin introduced various subsidiary theories into his books. One such, for instance, that runs through the *Origin of Species* is that continental animals and plants are more highly evolved by stress of competition than are insular ones; and that continental productions introduced into an island will supplant and replace the less improved native productions. This notion got into Darwin's head apparently at the end of 1858, for he then mentions it in a letter to Hooker, saying, "See how all the productions of New Zealand yield to those of Europe. I dare say you will think all this is utter bosh, but I believe it to be solid truth" (*Life and Letters*, ii, 143).

In his *Naturalised Animals and Plants of New Zealand* Mr. G. M. Thomson relates how in the early years of settlement introduced plants and animals flourished exceedingly, water-cress, for example, for a few years growing to 14 feet in length, and then later subsiding to normal size again. Mr. Thomson tells how as an ardent evolutionist he waited to see the introduced vegetation replace and exterminate the New Zealand bush. He states that he waited in vain : "The opinion of all botanists in New Zealand today is that when the direct, or—to a large extent—the indirect influence of man is eliminated, the native

vegetation can always hold its own against the introduced" (pp. 527-8). He says also, "The same probably holds good to some extent with animal life, only the problem is more difficult to follow out."

Darwin's son, Sir Francis Darwin, as editor of his father's *Life and Letters* said of the paternal propensity for theory-building that "it was as though he were charged with a theorising power ready to flow into any channel on the slightest disturbance" (i, 149). Darwin's elder brother Erasmus wrote back after reading his copy of the *Origin*: "The a priori reasoning is so entirely satisfactory to me that if the facts won't fit in, why so much the worse for the facts is my feeling" (ii, 233). Darwin's close friend, Sir Charles Lyell, after reading the *Origin of Species* suggested that in a future edition, "you may here and there insert an actual case to relieve the vast number of abstract propositions" (ii, 206). It is this absence of "actual cases," of course, which is the entire difficulty with evolution. There are no actual cases.

Chapter VII

FROM BOOM TO RACKET

THE Darwinian gospel on its first appearance in 1859 had an immediate and world-wide success. Huxley in a contribution to *Darwin's Life and Letters* (ii, 179) has written wild nonsense about Darwin earning his place, "by sheer native power, in the teeth of a gale of popular prejudice, and uncheered by a sign of favour or appreciation from the official fountains of honour." The fact of the matter is that the *London Times* on December 26, 1859, devoted no less than the almost unprecedented space of three and a half columns to a highly respectful notice of *The Origin of Species*, this review, incidentally, being written by Huxley himself. The chorus of praise was so general as to drown dissentient voices. Immediately after his book appeared Darwin is found writing to Hooker, "My head will be turned. By Jove, I must try and get a bit modest." The first edition was sold out on the day of issue and new editions and reprints appeared in quick succession.

In 1864 the Royal Society awarded Darwin the Copley Medal, and Dr. Hugh Falconer in seconding the award described the *Origin of Species* as having "instantly fixed the attention of mankind throughout the civilised world" (*More Letters*, i, 255). Within six years of publication of his book Darwin was elected an honorary member of the leading learned societies of eight nations. The position twelve years after the *Origin* appeared was thus described in Professor St. George's Mivart's *Genesis of Species* (p. 10) in 1871 : "It would be difficult to name another living labourer in the field of physical science who has excited an interest so widespread, and given rise to so much praise, gathering around him as he has done a chorus of more or less completely acquiescing disciples, themselves masters of science, and each the representative of a crowd of enthusiastic followers." As noted in an earlier chapter, the last scientist to raise his voice against evolution at the congresses of the British Association for the Advancement of Science was Dr. Wright in 1881. By February, 1888, Herbert Spencer, a rival prophet of evolution, was complaining in the *Nineteenth Century* that "the new biological orthodoxy"—that is, the evolutionist—had become as intolerant as the old, and was rigidly shutting its eyes to everything that did not fit in with the Darwinian

idea of natural selection. The booming of evolution remains the most successful scientific stunt on record.

What was the reason for Darwin's success ? For one thing, he applied to science the gospel of Malthus which had already become the foundation of political economy. Ricardo's theory of rent and his "iron law of wages," etc., and J. S. Mill's similarly inspired writings all received valuable philosophical reinforcement and expansion from Darwin's theory of natural selection and survival of the fittest in the struggle for existence, with a supposed onwards and upwards march to illimitable improvement and progress.

These ideas of Darwin's also enabled any successful man to justify himself to himself in riding rough-shod over his weaker competitors. Such notions were far more comforting teaching than anything to be found in the sayings of Jesus Christ. As John Morley gracefully expressed it in reviewing the *Descent of Man* in the *Pall Mall Gazette* in 1871 : "Mr. Darwin's work is one of those rare and capital achievements which effect a grave modification in the highest departments in the realm of opinion" (Darwin's *More Letters*, i, 324). Everyone in these highest departments was shown by Darwin to be there by survival of the fittest. The idea was naturally completely acceptable in these elevated quarters. No doubt this was another instance of what Darwin's *More Letters* (i, 71), calls "his supreme power of seeing and thinking what the rest of the world had overlooked." As Darwinism taught that the Bible was all astray in its statements, it also made a wide appeal to those advanced and enlightened people who had had more than enough of the Ten Commandments. There was thus an enormous public ready to receive the comfortable new gospel, and quite willing to overlook the absence of any facts in support of it.

In some quarters there was resistance to Darwin's doctrine. The scientists of France were about the last to be converted, as is recorded in Darwin's *Life and Letters* (iii, 224). It was not until 1878 that Darwin was elected a corresponding member of the French Institute, and then only on the botanical side. He received 26 votes out of a possible 39. In 1872 an unsuccessful attempt had been made to elect him to the zoological side, but he only got 15 votes out of 48. Nature of August 1, 1872, quoted an eminent member of the Academy as writing in *Les Mondes*:

"What has closed the doors of the Academy to Mr. Darwin is that the science of those of his books which have made his chief title to fame—the *Origin of Species*, and still more so the *Descent of Man* --is not science, but a mass of assertions and absolutely gratuitous hypotheses, often evidently fallacious. This kind of publication and these theories are a bad example, which a body that respects itself cannot encourage."

In Britain and America there were a small number of scientists who refused to accept evolution. Professor Fleeming Jenkin, an engineer, in an article on the Origin in the North British Review in 1867 remarked that Darwin's idea that a species could be modified by a favourable variation occurring in an individual was the same as arguing that the arrival of one ship-wrecked European sailor on an island populated by negroes would result in the population gradually turning white in the course of a century or two (vide Mivart's *Genesis of Species*, p. 58). Fleeming Jenkin said he did not anticipate this little difficulty would embarrass the "true believer" in evolution, for : "He can invent trains of ancestors of whose existence there is no evidence; he can call up continents, floods, and peculiar atmospheres; he can dry up oceans, split islands, and parcel out eternity at will; surely with all these advantages he must be a dull fellow if he cannot scheme out a series of animals and circumstances explaining our assumed difficulty quite naturally." (Darwin's *Life and Letters*, iii, 108).

Darwin in the next edition of the Origin set to work and tidily patched up this rent in his theory. He said there could be no doubt that owing to similar organisms being similarly acted on by external conditions, "the tendency to vary in the same manner has often been so strong that all the individuals of the same species have been similarly modified without the aid of any form of natural selection." Any theory needed could be supplied on demand apparently. An analysis of the various repairs effected in the six editions of the Origin would be instructive.

After reading a well-known work by his fellow evolutionist, Herbert Spencer, Darwin wrote to Hooker in 1866 : "I feel rather mean when I read him; I could hear, and rather enjoy the feeling that he is twice as ingenious and clever as myself, but when I feel he is about a dozen times my superior, even in the master art of wriggling, I feel aggrieved . . ." (*Life and Letters*, iii, 55).

Disbelief in evolution is today regarded as a sign of crankiness and serious mental incapacity. From the five volumes of Darwin's letters one gathers that such disbelief also results in degeneration of character, for those who criticise the great man's views almost invariably appear in these volumes rapidly to develop unpleasant traits in personaility. Sir Richard Owen, the eminent naturalist, commonly suspected of being the author of a severe slating of the Origin in the Edinburgh Review, turns out to be a most unpleasant person, and "mad with envy because my book has been talked about" (*More Letters*, i, 149). The Edinburgh Review article had the audacity to say, "Lasting and fruitful conclusions have, indeed, hitherto been based only on the possession of knowledge; now we are called upon to accept an hypothesis on the plea of want of knowledge. The geological record is so imperfect! " (*ibid*, i, 146).

Professor St. George Mivart, F.R.S., suffered a similar deterioration of character after acquiring a disbelief in various parts of the Darwinian theory, expressed by him in review articles and at length in his book of 1871, the *Genesis of Species*. "He is very unfair," writes Darwin to Lyell. "You never read such strong letters Mivart wrote to me about respect to me, begging that I would call on him, etc., etc. Yet ... he shows the greatest scorn and animosity towards me, and with uncommon cleverness says all that is most disagreeable. He makes me the most arrogant, odious beast that ever lived ... I suppose that accursed religious bigotry is at the bottom of it . . ." (More Letters i, 332).

Mivart in his writings had pointed to various gaps in the Darwinian argument. He remarked, for example, on Darwin's objection to the idea that any special sterility had been imposed on species to prevent inter-mixture. On this point Darwin wrote in the *Origin*: "To grant a species the special power of producing hybrids, and then to stop their further propagation by different degrees of sterility . . . seems a strange arrangement." Mivart's comment in his *Genesis of Species* (p. 125) was: "But this only amounts to saying the author would not have so acted had he been the Creator. 'A strange arrangement' must be admitted anyhow . . . and it is undeniable that the crossing is checked . . . there is a bar to the intermixture of species, but not of breeds." This little defect in his theory, as we have seen, was a standing vexation to Darwin, who objected strongly to Huxley obtruding it to public notice.

Darwin held natural selection to operate on chance variations occurring haphazard, and rejected all ideas of design in nature—at any rate subsequent to the First Cause. Mivart noted Darwin asking, "Can it be reasonably maintained that the Creator intentionally ordered . . . that certain fragments of rock should assume certain shapes, so that the builder might erect his edifice ? " Mivart's comment was possibly displeasing to Darwin. "It is almost incredible," he wrote, "but nevertheless it seems necessary to think that the difficulty thus proposed rests on a sort of notion that amidst the boundless profusion of nature there is too much for God to superintend; that the number of objects is too great for an infinite and omnipresent Being to attend to singly to each and all in their due proportions and needs" (*Genesis of Species*, p. 258). Was this a specimen of Mivart's "accursed religious bigotry" making Darwin appear as he complained, "the most arrogant, odious beast that ever lived" ?

In passing it may be noted that one of Darwin's stock arguments against design in nature was the shape of his nose, which displeased him every time he looked in the mirror. The point recurs in various letters. "Will you honestly tell me (and I shall really be much obliged)" he wrote to Lyell in 1861, "whether you believe the shape of my nose (ehou !) was ordained and guided by an intelligent cause ? " (More

Letters, i, 193). In a letter to Hooker in 1870 Darwin said of the universe, "I can see no evidence of beneficent design, or indeed of design of any kind in the details" (ibid, i, 321).

Professor Adam Sedgwick, the geologist, condemned the Origin of Species emphatically in the Spectator and at the Cambridge Philosophical Society. But the old man was very considerably Darwin's senior, and he was let off by being frozen out of the presence on calling on Darwin some time after his offences. Sedgwick declared quite truly, that the palaeontological record defied the evolutionist at every turn. "I cannot conclude," he wrote in the Spectator, "without expressing my detestation of the theory, because of its unflinching materialism; because it has deserted the inductive track, the only track that leads to physical truth; because it utterly repudiates final causes and thereby indicates a demoralised understanding on the part of its advocates. . . Not that I believe that Darwin is an atheist, though I cannot but regard his materialism as atheistical. . . And I think it intensely mischievous. . . Each series of facts is laced together by a series of assumptions and repetition of the one false assumption. You cannot make a good rope out of a string of air bubbles." (Darwin's Life and Letters, ii, 298).

Louis Agassiz, the American naturalist, in reviewing the Origin, at once put his hand on the weakest spot of all, saying : "Unless Darwin and his followers can succeed in showing that the struggle for life tends to something beyond favouring the existence of some individuals over that of other individuals, they will soon find they have been following a shadow" [Life and Letters, ii, 330]. Neither Darwin nor anybody else has ever been able to show this, but eighty years have passed without the scientists being able to perceive that they are following a shadow. Agassiz apparently over-rated the penetration of the scientific mind. As to the theory generally, Agassiz said : "Until the facts of Nature are shown to have been mistaken by those who have collected them. . . I shall therefore consider the transmutation theory a scientific mistake, untrue in its facts, unscientific in its methods, and mischievous in its tendency" (ibid, ii, 184)—"Have you seen Agassiz's weak metaphysical and theological attack ? " wrote Darwin to Huxley (ii, 330).

The foregoing extracts show that the fundamental defects of the theory of evolution were clearly exposed by competent scientific men at the time of its first appearance. These defects remain today, along with numerous others since disclosed. And yet the public has it rammed down its throat on every hand that evolution is an established scientific fact. In the United States, for instance, when Bryan was campaigning against evolution in 1922, the council of the American Association for the Advancement of Science passed a resolution affirming that evolution was "not a mere guess," and furthermore that "the evidences in favour of the evolution of man are sufficient to convince

every scientist of note in the world" (Nature, March 3, 1922). This latter statement was not true: that is, unless regarded as announcement of intention by a scientific ring to treat as a blackleg and scab any scientist who rejected evolution. There is evidence from various quarters of evolution today being run as a scientific racket.

Take the case of a leading biologist like Professor Sir William Bateson, who at the Toronto congress of the American Association for the Advancement of Science in 1921 admitted the total failure of all experiments directed to breaking through the natural breeding limits of species. The weight of this negative evidence against evolution could no longer be ignored, he said. While admitting this, Sir William Bateson nevertheless concluded in loyal evolutionist style : "Let us then proclaim in unmistakable language that our faith in evolution is unshaken. Every available line of argument converges on to this inevitable conclusion. . .The difficulties which trouble the professional biologist need not trouble the layman. Our doubts are not as to the reality or truth of evolution, but as to the origin of species, a technical, almost a domestic problem. Any day that mystery may be solved" (Nature, April 29, 1922). For his candour in referring in various addresses to the lack of evidence of evolution, Sir William Bateson is stated in his biography written by his son to have suffered at the hands of his scientific brethren a grievous ostracism, amounting to a professional boycott.

Professor G. Macready Price, professor of philosophy and geology at Washington, an anti-evolutionist, is quoted as writing : "When my unorthodox college text-book on geology appeared in 1923 it was pounced upon savagely by the scientific journals—or by all that deigned to notice it at all. I was at that time green enough to think that the editors of these journals would allow me to make some sort of reply to my critics. But I had to learn the sad lesson that my offence had placed me beyond the pale. Finally, some years later, I did manage to get a partial reply to two of my critics in the official journal of the scientific society to which I belonged, but only after I had threatened the editor with the proceedings for libel (vide *Why Be an Ape ?* by a London journalist, Mr. Newman Watts, p. 38).

The way scientists are kicked into line on the subject of evolution was revealed by Mr. Arnold Lunn in his *Flight from Reason* in 1930. He wrote : "The other day I met a Fellow of the Royal Society. 'I am glad you are taking up this issue,' he said, 'because, of course, we professional scientists can do nothing. Our hands are tied. Take my own case for instance. Professor X regards Darwin as a Messiah. He has good jobs in his gift, and no jobs are going excepting to those who worship at the Darwin shrine.' "

Mr. Lunn also quotes the late Professor Thomas Dwight, an eminent anatomist, as saying : "The tyranny of the Zeitgeist in the matter of evolution is overwhelming to a degree of which outsiders

have no idea. Not only does it influence (as I admit it does in my own case) our manners of thinking, but there is an oppression as in the days of the Terror. How very few of the leaders of science dare tell the truth concerning their own state of mind ! "

A palaeontologist who has rejected evolution is Lieut.-Col. L. Merson Davies, a Fellow of the Royal Society of Edinburgh, a Fellow of the Royal Anthropological Society, and a Fellow of the Geological Society. Colonel Davies in a Victoria Institute paper, said in 1926 : "It 'does not pay,' as they say, to oppose evolution nowadays . . . how many have heard of the words of a leading zoologist like Fleischmann, a scientist of European reputation, who flatly denied that evolution could be regarded as scientifically established ? It is significant that no one has ever undertaken the task of directly opposing Fleischmann; but he was thoroughly abused instead, and soon forgotten. When men of science find that open expression of serious doubts upon the subject is treated after this fashion it is natural that they incline to keep them to themselves. Although the great majority of scientific workers do certainly accept belief in evolution, we have no reason to suppose they all do, even if we seldom hear of them openly opposing it" (vide Dewar's *More Difficulties*, pp. 124-5).

Mr. Douglas Dewar, F.Z.S., tells how the press has been nobbled up so that the public never hears the truth about evolution. Mr. Dewar was an evolutionist up to 1931, when he published his first book against the theory. In 1912 he was co-author with Mr. F. Finn of an evolutionist book, *The Making of Species*, which was specially commended by President Theodore Roosevelt. In later life Mr. Dewar whose subject is Indian birds, rejected Darwinism in favour of evolution by sudden mutations. In the end he rejected the entire theory. He writes in his *Man, a Special Creation* (pp. 103-4) :

"Few people realise how important has been the capturing of the press by evolutionists. Today very few periodicals will publish an article or a paper attacking the evolution theory, and this applies both to the lay and the religious press : most of the religious journals are in the hands of modernists who have accepted the theory of man's animal descent . . . Generally speaking the editors of newspapers believe evolution to be an established fact, and in consequence regard anyone who attacks it as an ignoramus or crank . . . Scientific journals, being conducted by evolutionists, usually decline to publish any contribution that casts even a shadow of doubt on the evolution concept. . . Book publishers . . . are unwilling to publish a book, which as it runs counter to current scientific opinion will either be ignored or savagely attacked. Nor are most of them willing to publish at the author's expense a volume attacking evolution for fear they should lose caste. Thus the public is permitted to hear only one side of the case the average man ... is led to believe that evolution is a law of nature as firmly established as is the law of gravity."

As an instance of how Britain's leading scientific journal deals with anti-evolutionists the following facts may be mentioned. The present writer in looking through a file of *Nature* noticed in its issue of November 27, 1937, a half-page review of *Evolution and Its Modern Critics* by Dr. Morley Davies. This book was a rejoinder to Mr. Douglas Dewar's *Difficulties of the Evolution Theory* published in 1931. In 1938 Mr. Dewar replied to Dr. Davies with another book, *More Difficulties of the Evolution Theory*. Inspection of the very full index to *Nature* revealed no review of either of Mr. Dewar's two anti-evolutionist books. Most of *Nature's* review of Dr. Davies' book was occupied with belittlement of Mr. Dewar. Said the reviewer : "In place of a hypothetical discussion, the author takes Mr. Dewar's *Difficulties of the Evolution Theory* in place of a young student's questions." Having thus by inference written Mr. Dewar down to the to the intellectual level of an immature student, *Nature's* reviewer proceeded to give him a kindly lecture on the extreme rarity of fossilisation, suggesting that if Mr. Dewar watched a dog pulling an animal carcass to pieces he might have some elementary ideas on the subject. In point of actual fact, Mr. Dewar and Mr. Levett-Yeats, as we have noted, had five years before contributed a paper to the Victoria Institute giving detailed statistics on this subject of fossilisation. However, the last thing any reputable scientific journal desires today is to allow anything injurious to evolution to creep into its pages.

Testimony as to a similar state of things in the United States was provided by Mr. Paul Shorey in an article in the *Atlantic Monthly* in 1928. "There is no cause," wrote Mr. Shorey, "that is so immune from criticism, that is so sacred a cow, not only in newspaper offices but in the universities of the North (of America), as Evolution with a capital E. An ambitious young professor may safely assail Christianity or the Constitution of the United States, or George Washington, or female chastity, or marriage, or private property. But he must not apologise for Bryan. . . . That would be intolerance, lack of a sense of proportion, failure in open-mindedness, unfaith in progress. It is not done."

In Britain in 1934 an Evolution Protest Movement was formed and presently requested the British Broadcasting Corporation that its president, Sir Ambrose Fleming, F.R.S., might be given an opportunity of stating the case against evolution over the radio. Mr. C. A. Siepmann, the B.B.C. director of talks, refused this, stating in his reply : "It is the policy of the Corporation to allow of reference to evolution in such terms as have the support of the large majority of distinguished scientists in this country." An Evolution Protest Movement leaflet notes that while taking this stand to block an anti-evolution broadcast, the B.B.C. nevertheless defended a communist broadcast on the ground that "there was no greater danger than that

a point of view should be suppressed." Curiously enough, it was only by the invention of the thermionic valve by Sir Ambrose Fleming, whom the B.B.C. refused to allow to speak, that radio broadcasting became possible at all. The incident is significant as just one more instance of evolutionist and communistic influences operating in double harness in influential quarters.

Chapter VIII

ALL ABOARD FOR ATHEISM

EVER since its first proclamation eighty years ago, the theory of organic evolution has been actively at work disintegrating the religious beliefs of those who accept it. Its principal achievement has been to empty the churches by mass manufacture of atheists and materialists. Atheism and materialism very frequently find their political embodiment in communism. It is not correct to say that all evolutionists are atheists, materialists, and communists. They are simply headed that way, that is all. It is correct on the other hand, to say that communists are almost invariably atheists, materialists, and evolutionists. Evolution is essential to materialism and atheism in that it provides a mechanical explanation of the universe without any spiritual principle.

Both Darwin, prophet of evolution, and Huxley, his high priest, had abandoned belief in Christianity at the time they took up with evolution. Darwin records that after his return from the voyage in the *Beagle* in 1836, at which date he was twenty-seven years of age, "I gradually came to disbelieve in Christianity as a divine revelation" (*Life and Letters*, i, 308). Huxley similarly relates that by 1850, at the age of twenty-five, he had "long done with Pentateuchal cosmogony," and desired "some particle of evidence" that animals came into being by creation (*ibid* ii, 187-90). That neither held established religion in especial esteem is evident by their letters. Darwin in 1859, for instance, wrote to Hooker complaining that a certain reviewer of his book "drags in immortality, and sets the priests at me," and is ready to "tell the black beasts how to catch me" (*ibid*, ii, 228). Huxley's attitude was well known, and right at the end within a year of his death he wrote in 1894 : "I am not afraid of the priests in the long run. Scientific method is the white ant which will slowly but surely destroy their fortifications," and lead to "the gradual emancipation of the ignorant upper and lower classes, the former of whom especially are the strength of priests." (*Huxley's Life and Letters*, ii, 379). The word "priests" in these extracts is used as descriptive of clergy generally, irrespective of denomination.

Huxley expounded his theological views publicly and emphatically in his addresses and books. Darwin did not do so. In various

letters he is to be found stating, "My theory is in a muddle." The fact of the matter seems to be that his own intuitive feelings for a long time prevented him from carrying his scientific views to their logical conclusion. According to the Darwinian theory of natural selection all living things are the product of chance variations without purpose or design. Modern evolutionists carry the idea a stage further, regarding life itself as a chance product of inorganic matter. Darwin for a long time refused to accept this idea, but in 1871 he is to be found imagining a chance generation of life from non-living matter—"in some little warm pond, with all sorts of ammonia and phosphoric salts, light, heat, electricity, etc." (Life and Letters, iii, 18).

As he advanced in life, Darwin became more completely materialistic in his views. Less than two months before his death he wrote on February 28, 1882 : "Though no evidence worth anything has as yet, in my opinion, been advanced in favour of a living being, being developed from inorganic matter, yet I cannot avoid believing the possibility of this will be proved some day in accordance with the law of continuity. . . Whether the existence of a conscious God can be proved from the existence of the so-called laws of nature (i.e., fixed sequences of events) is a perplexing subject, on which I have thought, but cannot see my way clearly" (More Letters, ii, 171). The chaotic nature of Darwin's views is revealed in the following statement made in 1879 :

"The old argument from design in Nature, as given by Paley, which formerly seemed to me so conclusive, fails now that the law of natural selection has been discovered. . . There seems to be no more design in the variability of organic beings, and in the action of natural selection than in the course which the wind blows. . . At the present day the most usual argument for the existence of an intelligent God is drawn from the deep inward convictions and feelings which are experienced by most persons. . . Formerly I was led by such feelings ...to the firm conviction of the existence of God and the immortality of the soul. . . I well remember my conviction that there is more in man than the mere breath of the body. But now the grandest scenes would not cause any such conviction and feelings to rise in my mind. Another source of conviction in the existence of God. . . follows from the extreme difficulty, or rather impossibility, of conceiving this immense and wonderful universe, including man and his capacity for looking backwards and far into futurity, as the result of blind chance or necessity. . . This conclusion . . . has gradually, with many fluctuations, become weaker. . . I, for one, must be content to remain an Agnostic" (Life and Letters, i, 309-12).

In 1881 Darwin was asked if a certain correspondent was correct in describing him as saying everything was due to chance. Darwin replied that the word "chance" must have been used "in relation only to purpose in the origination of species." He added : "On the other

hand, if we consider the whole universe the mind refuses to look at it as the outcome of chance—that is, without design or purpose. The whole question seems to me insoluble, for I cannot put much or any faith in the so-called intuitions of the human mind, which have been developed, as I cannot doubt, from such a mind as animals possess; and what would their convictions or intuitions be worth ? " (More Letters, i, 395).

Darwin's position was that whatever the First Cause of all things might be, everything thereafter occurred by chance. Alfred Russell Wallace and Sir Charles Lyell accepted evolution subject to in-breathings of creative power to help the process on, particularly with respect to the appearance of man upon the earth. Wallace regarded natural selection as quite incapable of accounting for man's powers of speech, his taste for music, mathematical faculty, and other attributes separating him by an immense gulf from the lower animals, and in his Darwinism in 1901 Wallace imagined evolution helped along by creative power from time to time just as the direction of a curve is imperceptibly altered. Lyell in correspondence with Darwin in 1859 had raised the same point of injections of primeval creative power, and Darwin replied, "If I were convinced that I required such additions to the theory of natural selection, I would reject it as rubbish" (Life and Letters, ii, 210).

Huxley, with his endless capacity for writing nonsense, rebuked the critics of Darwin for "the most singular" of their fallacies, "that which charges Mr. Darwin with having attempted to re-instate the old pagan goddess, Chance" (Darwin's Life and Letters, ii, 199). Nevertheless, one finds Sir Edward Poulton in his presidential address to the British Association in 1937 recalling the "heroic help" given in the study of Darwinian natural selection by Miss Welldon "who four times recorded the result of 4,096 throws of dice, showing that the faces with more than three points were, on the average, uppermost slightly more often than was to be expected" (Nature, Sept. 4, 1937). According to evolutionists, chance developed the human eye by the operation of discontinuous light on a freckle on the skin. Chance is the only God evolution knows.

Huxley, chief propagandist of Darwinism, expressed himself with frequency and vigour on theological matters. He saw not a tittle of evidence, he said, of a Deity standing to mankind in the relationship of a father. "I am unable," he declared, "to discover any 'moral' purpose, or anything but a stream of purpose towards the consummation of the cosmic process, chiefly by means of the struggle for existence, which is no more righteous or unrighteous than any other mechanism" (Huxley's Life and Letters, i, 241, and ii, 303).

Darwin's moral ideas were based on his evolutionist doctrine. He expressed the opinion in 1879 that "most or all sentient beings have been developed in such a manner, through natural selection,

that pleasurable sensations serve as their habitual guides" (Life and Letters, i, 310). Morality on this basis slides easily and naturally into the doctrine of Aleister Crowley and the Black Mass, 'Do as thou wilt, there is no other law.' The so-called new morality runs along these lines, and the same idea (wrapped in cotton wool) is at the back of the new education, etc.

While Darwin became increasingly materialistic in his views in later life, Huxley became less so. However, one finds Huxley writing on the subject of morality as follows in 1892 : "So far as mankind has acquired the conviction that the observance of certain rules of conduct is essential to the maintenance of social existence it may be proper to say that 'Providence,' operating through man, has generated morality" (Huxley's Life and Letters, ii, 303). Huxley in his Romanes lecture of 1893 admitted that the ethical principle of disregard of self is opposed to the self-regarding principle on which evolution is assumed to have taken place. Huxley also admitted that natural selection fails to account for man's taste for music and his innate sense of moral beauty.

Enough has been quoted of the views of Darwin and Huxley to show the deteriorating effect of their evolutionist imaginings on their entire outlook on life. They are adrift from whatever bearings they ever had, and without any idea of where they are. Their moral standards, so far as they have any clearly defined standards, are inferior to the Christian ones they threw away. Their idea of man as descended from brute beasts is a degraded conception as compared with the conception of man as a spiritual being; and the Darwinian idea of the living world as a chance product without aim or purpose is one which runs counter to the intuitions of mankind. If what they had to tell us was true we should have to accept it and reconcile ourselves to it as best we could. But the standards of proof accepted by evolutionist scientists would be despised by a mediaeval witch finder. The late Lord Halsbury, a former Lord Chancellor of England, has been quoted as very truly saying : "In court we are expected to give full proof in support of every assertion. A professor, on the other hand, appears to consider himself relieved of any such anxiety" (vide *Why be an Ape?*, p. 34).

Evolution is an emanation of darkness, a product of a decadent age. A passage in Huxley's Life reveals the progress of that decadence. In expounding his theological views in correspondence with Charles Kingsley in 1863, Huxley remarked that, except with two or three scientific colleagues, he felt himself helplessly at variance with his fellowmen on these matters, and as remote from them as they would feel among a lot of Hottentots. He added : "I don't like this state of things for myself—least of all do I see how it will work out for my children" (Huxley's Life and Letters, i, 240). Huxley need have had no fear. The evolution boom swept him and his family onward and upwards. Nine years after he wrote the University of St. Andrews

recognised his eminence by electing him its rector. Oxford University later acclaimed him as one of the great men of the day by bestowing an honorary D.C.L. Finally, in 1892 Queen Victoria (or her Ministers) thought it not inappropriate for the Defender of the Faith to summon this active and noisy propagator of disbelief to membership of her Privy Council.

As for the Huxley family, they have flourished mightily in preaching the same Huxleian gospel. In 1899 the evolutionists, in their task of emancipating the ignorant upper and lower classes from thralldom to religion, founded the Rationalist Press Association. Seven years later that body was busy pushing out in scores of thousands a book of 432 pages sold at the obviously unprofitable price of sixpence, and proudly flaunting on its cover an excerpt from the Sunday School Chronicle quoting the Bishop of London as saying that this particular book "has done more damage to Christianity during the last few years than all the rest of the sceptical books put together." Inside the cover appeared the name of Professor Leonard Huxley, son of the great Huxley, as one of the executive officers of the association.

In the third generation Huxley's grandson, Professor Julian Huxley, is able triumphantly to proclaim in his widely circulated *Essays of a Biologist* (p. 74) that "any view of God as a personal being is becoming frankly untenable." The "march of knowledge," he affirms, has left no room in the universe for any such idea. "Creation of earth and stars, plants, animals and man—Darwin swept the last vestiges of that into the wastepaper basket of outworn imaginations, already piled high with the debris of earlier ages," so affirms this worthy scion of the House of Huxley.

It is worth noting that evolution is the mainstay of the Rationalist Press Association volume of which Professor Julian Huxley's father was one of the sponsors. The volume, *The Churches and Modern Thought* by Philip Vivian, solemnly assures us without a quiver of an eyelid that "Evolution is no longer a mere speculative theory, possibly or probably true, but an established fact accepted by the whole scientific world with hardly a single dissentient voice" (p. 169). In putting Christianity through the mincing machine, the author dwells on the pitiful lack of evidence on the religious side. "Even the working man," he tells us, "will not remain satisfied with a theology which maintains the necessity for a foundation of facts, and yet is unable to prove them" (p. 361). With gusto he quotes on page 339 the following statement from T. H. Huxley's essay on "Science and Morals": "The foundation of morality is to have done, once and for all, with lying; to give up pretending to believe that for which there is no evidence. . ."

If evolutionists were to follow Grandfather Huxley's advice, and give up pretending to believe that for which there is no evidence, not very much would be left of their theory. Even prominent evolutionists in pronouncements from the throne in the scientists' parliament have

declared evolution to be just as much a matter of faith as religion. The eminent Professor D. H. Scott, for example, in his presidential address to the botanical section of the British Association in 1921 is to be found saying : "Is then evolution a scientifically ascertained fact ? No ! We must hold it as an act of faith because there is no alternative." Eight years later Professor D. M. S. Watson, of the University of London, told the assembled zoologists of the British Association in 1929 : "The theory of evolution is a theory universally accepted, not because it can be proved true, but because the only alternative, special creation, is clearly incredible."* The facts assembled in these pages suggest strongly that Professors Scott and Watson had excellent grounds for saying no evidence can be found of evolution. The fact of the matter is simply that the Huxleys, Vivians, and the rest, approach evolution in a spirit of credulity and religion in a spirit of incredulity.

It is noticeable that both Professor Julian Huxley and Mr. Vivian attach importance to the number of believers as an item of proof of evolution. Professor Huxley, as previously noted, opens the 1929 *Encyclopaedia Britannica* article on evolution by telling us that "among competent biologists and geologists, there is not a single one who is not convinced," etc. Mr. Vivian proclaims evolution as "accepted by the whole scientific world with hardly a dissentient voice." On the other hand, we have noted various qualified scientific men stating that it 'does not pay' today to express disbelief in evolution, and that the scientific billets only go to professing evolutionists.

The proposition thus seems to run : (1) Evolution is established fact. (2) It is established because scientists believe in it. (3) Scientists have to believe in evolution to rise on the payroll. The reader can draw his own conclusion from these premises. There is certainly no pecuniary sacrifice attaching to belief in evolution today. It is a suitable belief for a scientist desirous of presently possessing a higher-grade motor car. And pursuit of truth for truth's sake is a cold, cheerless occupation compared with going places in a limousine. You travel in pursuit of truth on a secondhand push-bicycle.

"Materialism," says Professor John Elov Boodin, in his *Cosmic Evolution* (1925), "has substituted magic for sober thought. The whole process of evolution becomes a succession of miracles without intelligible ground in the process. The appearance in a world of chance of any order at all, the emergence of life with its series of forms and organs, the final appearance of intelligence and a sense of beauty— all are miracles. . . That any age should take seriously such an incoherent mixture of mysticism and science is evidence of nothing so much as a want of logical thinking. . . By some magic the antecedent

* Professors Scott and Watson are quoted in Major Wren's *Evolution: Fact or Fiction?* pp. 22 and 59. Nature's reports of their addresses, apparently condensed, are to similar effect in less direct language.

forms are supposed to yield new forms and characters. By chance variations the structure of protoplasm is supposed to be built up from inorganic matter, and by further chance the various forms and characters appear. . . Chance is God. . . Materialism offers the most astounding instance of credulity in history" (extracts quoted in Major Wren's *Evolution, Fact or Fiction?*).

Evolution is not a science at all. It is a religion, and a very low-grade religion, with its hymns played in jazz and syncopated cacophony, and its sanctuaries adorned with cubist art—the religion of the Godless, of the crazy intellectuals who don't know anything about anything except knowledge. A few faint gleams of light begin to appear through the murk of this evolutionist hell-upon-earth. A stray scientist here and there begins to perceive that knowledge is not all. Professor Sir Arthur Eddington, peering out into space through his astronomical telescope, perceives something else looming into view. "The problem of knowledge," he writes, "is an outer shell beneath which lies another philosophical problem—the problem of values" (*Philosophy of Physical Science*, 1939, p. 222).

With their heads stuffed full of what they call knowledge our materialist-evolutionist intellectuals have lost all sense of values. They forget that the human rational intellect is but a measuring machine capable of reporting on the difference between this and that, but dealing all the time with nothing but the symbols of reality. Not all the books and all the professors in the world can even tell you the taste of bacon and eggs, you have to eat a dish of them to find that out. Rationalism gives you the menu card and calls it a dinner. It hands you the music score and calls it a concert. Your contact with reality comes through other parts of your consciousness.

Rationalism cannot measure God Almighty, cannot weigh Him : therefore God Almighty does not exist. But as William James, the psychologist, points out* the innumerable men and women who in all ages have felt the presence of God behind phenomena need no logical demonstration to prove that God exists : they know that all the words in all the creeds and religions of the world are but the feeblest shadow of a tremendous fact. Not all men have this insight, but the intuitive feeling that there is an omnipresent power in the universe, outside and beyond man, yet friendly to him and his ideals, has endured in the human heart through all ages and in all lands.

The evolutionist-materialist says these intuitions are superstitious delusions. He wants logical proof before he believes in anything but his material world. But the materialist has yet to be born who can provide any logical proof that the material universe has any existence apart from his own consciousness of it. When it comes to logical foundations he is as hopelessly bankrupt as his opponent. It all comes down to the practical working value in human life of the goods that

* *Varieties of Religious Experience*, pp. 73 and 443.

evolutionist-materialism and religion have to offer. We hear a lot about "Democracy" today. A very valuable book entitled *Modern Democracies* was written a few years after the war of 1914-1918 by the late Lord Bryce. After surveying the democracies of the world as they then stood, Lord Bryce expressed the opinion that the future of civilisation depends upon the future of religion. Of Christianity he said :

"Christianity—a far more powerful force than any political ideas or political institutions, since it works on the inmost heart of man— has produced nearly all the moral progress that has been achieved since it first appeared, and can in individual cases transmute lead into gold; yet Christianity has not done these things for peoples, because checked or perverted by the worse propensities of human nature, it has never been applied in practice" (vol. ii, p. 585).

What has Darwinian monkey-man materialism produced since it first appeared? Nothing but dirt and degradation all along the line. No one is twopence the better for it. What is it based upon. Upon nothing whatever but faith, upon belief in the reality of the unseen—belief in the fossils that cannot be produced, belief in the embryo-logical evidence that does not exist, belief in the breeding experiments that refuse to come off. It is faith unjustified by works—"fanatic faith, that wedded fast to some dear falsehood, hugs it to the last." Whether we seek our ancestors in the Garden of Eden or the monkey-house, it is faith that guides us equally to the one quarter or the other : upwards to the stars and immortal harmonies beyond this muddy vesture of decay; or downwards to the dark earth and the beasts that perish.

Chapter IX

EVOLUTION'S OFFSPRING

IN CURRENT thought today everything is assumed to be in a state of evolution into something else. The theory of organic evolution is not only treated as a fact, but has been made the basis of a philosophy which has invaded every branch of knowledge, and every side of life. This assumed evolutionary change is associated with the idea of progress and an inevitable onwards and upwards movement. The net result of the propagation of evolutionary ideas is, first and foremost, to lower the public resistance to change. The propagation of evolution is thus of the highest advantage to those who, for their own reasons—which are not necessarily those publicly proclaimed by them—wish to effect a revolutionary overthrow of existing institutions. Their battle is half won if they can succeed in propagating the idea that everything is in a state of inevitable and automatically beneficial evolution. In modern parlance, evolution is first-class revolutionary sales talk.

The pioneer in this evolutionary philosophy—himself very far from being a revolutionary—was Herbert Spencer. He embarked on the undertaking a few years before Darwin's *Origin of Species* appeared, and devoted most of a long life to it. The results were embodied in the ten ponderous volumes of his *System of Synthetic Philosophy*, treating of first principles, biology, psychology, sociology, and ethics. It is significant that in applying evolutionary principles to the universe at large, Herbert Spencer passed over inorganic nature. He admitted that logically a treatise on evolution in inorganic nature should have followed next after his *First Principles*, but excused himself on the ground that "even without it the scheme is too extensive," and also evolution in organic nature is "of more immediate importance" (*Epitome of Synthetic Philosophy*, p. 65).

An additional reason for the omission of this portion of the Spencerian philosophy may possibly have been the fact that science appears to be unable to discover any trace whatever of the assumed universal, onwards and upwards, integrative principle of evolution at work in inorganic nature. "Whatever a star's evolution may be," says Sir James Jeans in *The Universe Around Us* (p. 306), "it is essential that it should always be down the steps : any upward step is impossible." The sun, for example, is reported by science to be always

losing energy without full recovery. Turning from stars to atoms, the scientific report is that the largest and heaviest among the atoms (such as radium and uranium) are continually breaking up of themselves; and some atoms have been broken up artificially. But nothing is known of any process of building up the higher-class atoms out of simpler elements. Dr. F. Soddy, professor of physical chemistry at Oxford University, in his contribution to *Evolution in the Light of Modern Knowledge* (pp. 401-4) says there is no reason to suppose the simpler atoms came first and the complex ones afterwards, or that one atom is the parent of another. "Can one honestly see even a trace of that consecutive progress. . . reflected in the ways of the material universe ? " he asks.

In discussing this matter of inorganic nature and evolution in his book *The Bible Confirmed by Science* (from which the above excerpts are taken), Dr. W. Bell Dawson noted the contention in 1930 of Dr. R. A. Millikan that "cosmic radiation" indicates that atoms are being built up in inter-stellar space. Dr. Dawson remarked that such a view could not be definitely verified, and that Sir James Jeans in his *Mysterious Universe* (pp. 75-6) showed the probabilities to be enormously against it. That the Millikan idea remains purely supposititious is indicated from Nature's report of Professor P. M. S. Blackett's Kelvin Lecture on "Cosmic Rays" before the Institution of Electrical Engineers on April 27, 1939. Professor Blackett is reported as saying, "There is little exact knowledge about these rays, and it is assumed that they are due to radiation from the extra-solar universe." If it is only assumption that the cosmic rays come from the extra-solar universe, it presumably requires an extra large dose of evolutionist faith to spring the further assumption that cosmic rays are evolving atoms there. Except for this unverified idea, it seems to be correct to say that science knows nothing of evolution in inorganic nature.

It thus appears that Herbert Spencer might have included a treatise on "The Principles of Inorganic Evolution" in his vast work with no more labour than was involved in the famous chapter Ixxii "Concerning Snakes," in Horrebow's *Natural History of Iceland*, the whole truth of which reads exactly thus : "There are no snakes to be met with throughout the whole island." The reader will recall that the great Darwin himself, after reading a volume of the Spen-cerian philosophy described Herbert Spencer as "about a dozen times my superior, even in the master art of wriggling." Nevertheless, if evolution is a universal principle it should be able to explain how material things came to be. Professor Sir William Bateson admitted this, saying "Every theory of evolution must be such as to accord with the facts of physics and chemistry : a primary necessity to which our predecessors paid small heed" (vide Dr. W. Bell Dawson's *Is Evolution True ?* No. 2, p. 8). Once again our evolutionist steed collapses at the hurdle.

If the great integrative principle of evolution could not be applied

to inorganic nature, it was, however, applied to everything else. The evolutionist dram-drinker soon found himself "seeing things," and with respect to man in particular. Huxley, accepting evolution as a fact, and accepting man's descent from the lower animals as a fact, found himself in sight of various illuminating consequential facts. As dispenser-in-chief of the Darwinian distillation, the aged Huxley in 1893 solemnly got on to his feet, and rammed the following statements down the throats of the callow undergraduates of Oxford in his Romanes Lecture of that year :

"Man, the animal, in fact, has worked his way to the headship of the sentient world, and has become the superb animal he is, in virtue of his success in the struggle for existence ... the self-assertion, the unscrupulous seizing upon all that can be grasped, the tenacious holding of all that can be kept, which constitute the essence of the struggle for existence, have answered. For his successful progress, throughout the savage state, man has been largely indebted to those qualities which he shares with the ape and the tiger; his exceptional physical organisation; his cunning, his sociability, his curiosity and his imitativeness; his ruthless and ferocious destructiveness when his anger is aroused by opposition . . . after the manner of successful persons, civilised man would gladly kick down the ladder by which he has climbed."

There are no "ifs" and "ands" in this Huxleian pronouncement. All is as real and visible as the pink snakes crawling over the counterpane. Unfortunately, the archaeologists, looking in the ground for their facts instead of drawing upon their imaginations for them, appear to be finding evidence that civilised man was in existence all the time. One finds an eminent archaeologist, Dr. A. H. Sayce of the University of Oxford, quoted as saying: "Neither in Egypt nor in Babylon has any beginning of civilisation been found. As far back as archaeology can take us, man is already civilised, building cities and temples, carving stone into artistic form, and even employing a system of picture writing; and of Egypt it may be said, the older the country, the more perfect it is found to be. The fact is a very remarkable one, in view of the modern theories of development, and of the evolution of civilisation out of barbarism. Whatever may be the reason, such theories are not borne out by the discoveries of archaeology. Instead of the progress we should expect, we find retrogression and decay; and where we look for the rude beginnings of art, we find an advanced society and artistic perfection. Is it possible that the Biblical view is right after all, and that civilised man has been civilised from the outset ? " (vide Dr. W. Bell Dawson's *The Bible Confirmed by Science*, p. 141).

In Germany, the modernists in the Church and the socialists outside it, both took up with Darwinism at an early date. On it also Frederick Nietzsche built up his philosophy of Prussianism. "Nietzsche was the child of Darwin," says Dr. Will Durant in his *Story of*

Philosophy. Darwin, Durant says, swept away the last remnant of the theological basis of modern morals, and "men who could think clearly soon perceived . . . that in this battle we call life, what we need is not goodness but strength, not humility but pride." Nietzsche contended that just as man had evolved from an ape-like ancestor, so a higher type "superman" would evolve from man. Here are a few Nietzschean pearls of wisdom :

"We . . . believe that [man's] will to Life had to be intensified into unconditional Will to Power; we hold that hardness, violence, slavery, danger in the street and in the heart, secrecy, stoicism, arts of temptation and devilry of all kinds; that everything evil, terrible, tyrannical, wild-beast-like and serpent-like in man contributes to the elevation of the species just as much as the opposite—and in saying this we do not even say enough."—Beyond Good and Evil, sec. 44.

"Ye say it is the good cause which halloweth even war ? I say unto you, it is the good war, which halloweth every cause."—Thus spake Zarathusa, "War and Warriors."

"One must . . . resist all sentimental weakness : life is in its essence appropriation, injury, the overpowering of whatever is foreign to us and weaker than ourselves, suppression, hardness, the forcing upon others of our own forms, the incorporation of others, or, at the very least and mildest, their exploitation."—Beyond Good and Evil. sec. 259.

"We children of the future . . . do not by any means think it desirable that the kingdom of righteousness and peace should be established on the earth ... we count ourselves among the conquerors; we ponder over the need of a new order of things, even of a new slavery—for every strengthening and elevation of the type 'man' also involves a new form of slavery."—The Joyous Wisdom, sec. 377.

Huxley held cunning and ruthlessness to be the means by which man had ascended from beast, according to the Darwinian hypothesis. Nietzsche arrived at exactly the same idea from the same source, and as a practical-minded person urged his fellow Germans to carry on with the good work and joyously evolve into the "Super-man," "the blond beast, lustfully roving in search of booty and victory." Darwin's and Huxley's countrymen have since been engaged in two expensive efforts to remove this Darwinian inspiration from the German intellect.

Marxian socialism, like its stable companion atheism, with which it is usually to be found jogging along in double harness, has drawn sustenance freely from the evolutionary nosebag. Karl Marx (original family name Mordecai) produced his original programme of revolutionary violence in his Communist Manifesto of 1848, and the first volume of his theoretical justification of it, *Das Kapital** in 1867. In this he drew largely on Malthusian ideas, via Ricardo. His financial

* It was to Darwin that Marx wished to dedicate *Das Kapital*. With characteristic tact, Darwin declined the honour. (Editor).

backer and collaborator, Engels, in his celebrated oration over the grave of Marx, declared Marx and Darwin to be twin discoverers of the law of evolution, saying : "Just as Darwin discovered the law of evolution of organic nature, so Marx discovered the evolutionary law of human history—the simple fact that ... the production of the material necessities of life and the corresponding stage of economic evolution of a people or a period provides a foundation upon which the national institutions, legal systems, art, and even the religious ideals of the people in question have been built, and upon which, therefore, their explanation must be based."

Numerous quotations showing the close tie-up between evolution and revolutionary socialism appear in Mr. Dan Gilbert's excellent little book *Evolution: the Root of All Isms* from which the foregoing is quoted. Enrico Ferri, the Italian socialist leader, asserted in his *Socialism and Modern Science* that Marxian socialism "is nothing but a vital and logical corollary in part of Darwinian, in part of Spencerian, evolution." Said Karl Kautsky, German socialist leader : "For Marx, on the other hand, the class struggle was but a particular instance of the universal law of evolution, whose essential qualities are in no case peaceful." The American socialist, Morris Hillquit (real name Hilkowicz) said in his *Socialism in Theory and Practice*: "Karl Marx alone consistently introduced the spirit of Darwinism into the study of social phenomena by substituting the . . . doctrine of the class struggle in the more modern stages of social development for the . . . doctrine of the struggle for existence in its lower stages." Hillquit proceeds to lay it down that "in the ascending scale of organic existence the struggle between individuals of the same species gradually abates and is superseded by collective struggles of such individuals."

The various socialist writers, after imbibing at the evolutionary fountain, arrive at very similar views to those of Nietzsche as to the morality of the whole business. Survival is the evolutionary test of fitness, and **anything which helps to survival is moral. Here are a few flowers of socialist thought along these lines of evolutionist morality :**

"All the factors which impede the path to its [socialism's] approximate realisation are anti-ethical or immoral; contrariwise, all factors or movements which tend in its direction are ethical."—Morris Hillquit, noted American Socialist, in his *Socialism in Theory and Practice*.

"The socialist has a distinct aim in view. If he can carry the initial stages towards it by means of the count-of-heads majority, by-all means let him do so. If, on the other hand, he sees the possibility of carrying a salient portion of his programme by trampling on this majority, by all means let him do this also."—E. Belfort Bax, noted English socialist, in his *Ethics of Socialism*.

"The dictatorship of the proletariat is nothing else than power

based upon force and limited by nothing—by no kind of law and by absolutely no rule."—Lenin, *Complete Works*, vol. xviii, p. 361.

"The class-war is not only to continue, but must be carried on with considerably increased intensity. The classes inimical to the workers are, it is true, beaten, but the individuals continue to exist. They have not all of them been shot as yet, not all of them have been caught, not all of them have been physically annihilated. The carrying out of this task lies before us."—Krylenko, principal public prosecutor of the Soviet Union, in May, 1934.

The foregoing excerpts appear among others in Mr. Gilbert's book to which reference has been made. They could be multiplied indefinitely. Everything is based upon the evolutionist line of thought of the survival of the fittest in the struggle for existence—that which succeeds, anything that pays, is moral. The socialistic authors quoted exhibit exactly the same moral ideas as underlie Nietzsche's Prussian-istic philosophy, and both are derived from the same source.

The tie-up between evolutionary scientists and Bolshevism is notorious. According to London press statements of July, 1940, Professor J. B. S. Haldane, noted evolutionist, was then chairman of the editorial board of the *Daily Worker*, official organ of the Communist Party of Great Britain, and which, according to Lord Newton in the House of Lords on June 13, 1940, had "done all it can to impede the war effort of the Government."

In his references to the file of Britain's leading scientific journal *Nature*, the present writer noticed in its issue of May 23, 1936, three and a half of its foremost pages devoted to a glowing review of a new book, *Soviet Communism** by Sidney and Beatrice Webb. This book is a whitewashing of Bolshevism by two English socialists who have spent the last half-century in percolating socialism, via the Fabian Society, into the British upper classes, civil service, and universities. The book was outside the usual range of topics of a purely scientific journal, and the present writer in turning over the files of *Nature* did not chance to encounter reviews of books critical of Bolshevism. *Nature* declared the Webbs' book to be "a work of ultimate significance to the English-speaking world"; and the Bolshevik revolution itself is described as "an event in human history like the spiritual emancipation that came with Christianity and the political emancipation that culminated in the French Revolution." This scientific journal thus showed itself ready to go out of its way to use its pages

*Beatrice Webb in "Our Partnership," p. 491, categorically affirmed that Soviet Communism was the work of her husband and herself. But the one-time Soviet Army officer, Colonel Bogolepov, who fled to the West, giving evidence before The Internal Security Sub-Committee of the United States Senate Committee of the Judiciary on April 7th, 1952, stated that the entire text of the Webbs' book had been prepared in the Soviet Foreign Office. The Colonel explained that he had done most of the ghost-writing himself in the line of duty.

(Editor).

as a vehicle for communist propaganda in the university and other circles in which it circulates.

Evolutionist worship of Bolshevism is reciprocated by Bolshevik worship of evolution. Evolution is a mainstay of the Soviet anti-God campaign. One Soviet evolutionist effort for the "spiritual emancipation" of Russia was recorded in Mr. R. O. G. Urch's *Rabbit King of Russia* (pp. 82-83). He relates that according to the *Krasnaya Gazette* of December, 1925, Professor Ilya Ivanovich had left with a scientific expedition on a mission to the Congo. The object was to catch a number of female chimpanzees, and "to fertilise the apes by artificial methods and bring back the mothers with the little human apes to gladden the hearts of the Anti-God Society in Soviet Russia and prove that "There is no God." The result remained obscure, a detailed rumour in circulation in Moscow the next year stating that the ship on which the expedition was returning had been lost with all hands. Evolutionist experiment obstinately refuses to come off, not even to help along the spiritual emancipation of Soviet citizens.

Among the varied offspring of the Darwinian doctrine of man's animal descent are the numerous "scientific" doctrines of free-love. Mr. Gilbert deals at length with these in his useful *Evolution: the Root of all Isms*. He points out, for example, that the late Professor Freud in his *General Introduction to Psychoanalysis*, of which teaching he was the founder, lays it down that "man's animal nature is ineradicable" and makes this the justification for "giving full rein to one's sexuality." This Freud affirms to be quite in order as evolution shows that man is "an animal accustomed to the freedom of the jungle." and "unadapted" to the restrictions of Christian civilisation. This is the entire burden of the psychoanalytic gospel. A popular American university textbook, *An Outline of Psychoanalysis*, edited by J. S. Van Tieslaar, states : "Psychoanalysis represents but an extension of the theory of evolution, an application of the principle of evolution . . ." Dr. Samuel D. Schmalhausen, probably America's most popular and persistent champion of the so-called new morality of "sex expression" and "sex experimentation" with unlimited license, bases his arguments throughout on animal behaviour and man's supposed animal descent. "The sexual revolution is the terminal phase of the scientific revolution," he says in his *Sex and Civilisation*. Robert Briffault, another leading writer on these lines, in a contribution to a symposium by America's "sex philosophers," entitled *Our Neurotic Age*, records various observations of the habits of monkeys, etc., and triumphantly announces : "No indication is to be found among any animal of an appreciation of the rudiments of Christian morals." Christian morals thus lack evolutionary sanction, and are defined by Briffault as a "disease" of civilisation.

Another by-product of evolution dealt with by Gilbert is Determinism, which teaches that it is wrong to put criminals in gaol

because human beings are not responsible for their actions and have no freewill. Metchnikoff, leading Determinist, in his *Nature of Man* says : "Evolution knows nothing of free will. All our actions, scientifically speaking, are the necessary outcome of chemical processes of the brain." A number of evolutionists take this stand. Behaviourism goes a step further again, and flatly denies the existence of the soul, of free will, and of consciousness. Its founder, Dr. John B. Watson, started out with a study of animal psychology and then carried on with human psychology. Behaviourism maintains that man is entirely animal, and that "man should be treated just as the animal is treated."

In concluding this brief survey of some of the fruits of the theory of organic evolution, it is interesting to recall the comment of Adam Sedgwick, the geologist, on the Darwinian theory when it first appeared. After reading through his copy of the *Origin of Species*, the old man sat down and wrote a letter to Darwin on Christmas Eve. 1859. In it he said :

"We all admit development as a fact of history : but how came it about ? Here in language, and still more in logic, we are point-blank at issue. There is a moral or metaphysical part of nature as well as a physical. A man who denies this is deep in the mire of folly. 'Tis the crown and glory of organic science that it does through final cause, link material and moral . . . You have ignored this link; and if I mistake not your meaning, you have done your best in one or two pregnant cases to break it. Were it possible (which, thank God, it is not) to break it, humanity, in my mind, would suffer a damage that might brutalise it, and sink the human race into a lower state of degradation than any into which it has fallen since its written records tell us of its history" (Darwin's *Life and Letters*, ii, 248).

For great masses of people the theory of organic evolution has undoubtedly broken the link between material and moral, has had brutalising results, and has plunged them into a lower state of degradation. It represents lost ground in every direction.

Chapter X

WHAT SCIENCE IS FINDING

NOTHING is more striking in recent scientific literature than the steady accumulation by evolutionists themselves of a mass of facts wholly opposed to the theory of evolution to which they continue to affirm their adherence. This applies not only in the field of biology, but also, as will be seen in the next chapter, in archaeology and anthropology. In every direction the scientists themselves are busy removing bricks and undermining the walls of the citadel of evolution while at the same time loudly proclaiming the fabric to be intact. The indications are either that the entire theory will presently be abandoned as obsolete and untenable, or, alternatively, that science will be reduced to the teaching of dogma regardless of fact, in which direction it has already proceeded a considerable distance.

Evolution teaches the mutability of species. Modern scientific observation is becoming increasingly impressed with the great stability of species as the outstanding fact about living organisms. Darwin in concluding the *Origin of Species* proclaimed that there was no essential difference between varieties and species, species being all the time in process of evolution into new forms, and varieties being merely incipient new species. "We shall at least be freed from the vain search for the undiscovered and undiscoverable essence of the term species," he declared. Living organisms being nothing but a series of dissolving views with everything in transformation, Darwin laid it down that in future naturalists in labelling species would only have to decide whether any form happened to be "sufficiently important to deserve a specific name."

This idea is in line with a notion freely advanced in intellectual quarters today : that there are no pure races of mankind, and that it therefore follows there is no difference between a white man and a negro. On these lines we had Mr. Bernard Shaw holding forth in South Africa a few years back that the uplift of that country would be brought about most quickly by the two million whites intermarrying with the seven million black inhabitants of the country.

On the Darwinian view individuals alone exist in nature, species being purely an arbitrary concept. Nevertheless, species seemed to be sufficiently real to Darwin for him to devote a book of 700 pages to trying to account for their origin. Louis Agassiz, in reviewing

Darwin's book in the American Journal of Science for July, 1860, commented on this anomaly, and asked : "If species do not exist at all, as the supporters of the transmutation theory maintain, how can they vary ? and if individuals alone exist, how can the differences which may be observed among them prove the variability of species ? " It does not appear that Agassiz ever got an answer to this conundrum.

According to evolutionist teaching, living things are a chance product of inorganic matter, and are being continuously pruned and moulded into new shapes by their environment. The living forms are, so to speak, mere jelly or plastic putty, struggling together for existence, in a given environment, and by natural selection attaining an endless succession of forms increasingly adapted to the environment. The environment is the determining factor, and heredity amounts to little or nothing. Such is the grand theory. When the scientists lay their theoretical spectacles aside we find them announcing the exact opposite as the outstanding fact to be observed in the natural world.

Here, for example, is a recent report from the scientific throne, delivered in 1939 by the president of the zoological section of the British Association, Professor James Ritchie, of the University of Edinburgh : "We are accustomed to lay stress upon the variation of living things, upon which evolution depends, but surely more remarkable is the stability of living organisms, which retain their own characters in spite of changes in the environment, and whose germ cells pass these characters unaltered through countless generations" {Nature, September 25, 1939}.

As far back as 1921 Professor D. H. Scott was saying exactly the same thing as president of the botanical section of the British Association for that year. He said : "The small variations on which the natural selectionist relied so much, have proved, for the most part, to be merely fluctuations oscillating about a mean, and therefore incapable of giving rise to permanent new types. . . The whole tendency of modern work is" to show that in living things heredity is supreme. An organism is what it is by virtue of the constitution of the germ plasm derived from its parents" (Nature, September 29, 1921).

In the Oxford University Evolution book of 1938, one finds Mr. J. Z. Young, demonstrator in zoology at Oxford, saying (p. 180) : "As Henderson puts it, 'living things preserve or tend to preserve an ideal form, while through them flows a steady stream of energy and matter which is ever changing, yet moulded by life; organised in short.' The very object of our study as biologists is this organisation and its preservation, it is 'the first fact which strikes us about organisms,' and it is, as Woodger remarks, curious that it should be necessary to draw attention to it."—This is tacit admission that evolutionist theory has blinded scientists to what stares them in the face.

Similar testimony to this constancy of species is borne by Professor A. W. Lindsey, of Denison University, U.S.A., in his interest-

ing Problems of Evolution published by Macmillans in 1931. Professor Lindsey remarks that: "All of the selection theories, all ideas of isolation, all of our knowledge of mutations, serve only to show that the characters which make up a species may be reassorted, re-distributed, preserved in part and destroyed in part, or modified to some degree" (p. 134).—In other words, you can get variations within species, and sometimes wide variations, but you cannot get anything whatever which was not there to begin with.

All the above statements are made by professing evolutionists. Nevertheless, all are testimony unfavourable to the theory of evolution. Professor Ritchie after remarking on the stability of species, gets no further than observing that "we must conceive of evolution as a process of extreme slowness." Failure to discover evidence of evolution has led to the scientists making very large drafts on the bank of time. On this point Sir William Bateson remarked a good many years ago that "Time cannot complete that which has not begun."

The majority of the evolutionists did not share this Batesonian view. They felt that evolution could achieve anything if supplied with sufficient time. A furious battle raged in the scientific world from 1892 to 1921 over this subject of time. The geologists, calculating the rate of deposition of the sedimentary rocks, had in the main been willing to supply generous allowances of time. Sir Archibald Geikie on this basis provided evolution with about 100 million years. The physicists next upset the applecart. Lord Kelvin asserted that not more than 40 million years had elapsed since the molten earth solidified. Professor Tait knocked this down to 10 million. Professor Joiy eased the situation by estimating the sodium content of the oceans and the amount of salt carried in by the rivers, and he calculated the age of the oceans as from 80 to 90 million years. Professor Sollas in a British Association presidential address reprinted in his *Age of the Earth* (1908) affirmed that, properly regarded, both the sedimentary rocks and the oceans testified to about 26 million years as the correct figure : and he asserted that this should be sufficient time for everybody. Most of these estimates were revised by those who made them, sometimes out of recognition.

At the British Association meeting in 1905, Sir George Darwin threw out a life-line to the evolutionists by announcing that Madame Curie's investigations with radium might throw light on the age of the earth. Calculations were thereupon embarked on as to the rate of disintegration of radio-active ores in the rocks, and by 1921 Lord Rayleigh had evolution nicely fixed up with about 1000 million years available for something to evolve into something else. A few more hundred million years have since been thrown in to prevent any undue cramping. Professor Ritchie in his 1939 address was able to remark that "now a consensus of opinion admits credibility to estimates based upon the break-up of radio-active minerals in the rocks," and that they might say life had existed on the earth for perhaps 1200

million years, and that the birth of the sun and stars took place about 2000 million years ago.

Mr. Dewar in his *More Difficulties* (pp. 101-6) remarks that having abandoned belief in evolution, he has ceased to be particularly interested in the time allowance for the imagined process. He points out that the present fashionable calculation based on radio-activity is in total conflict with all the previous calculations, and seems to have been jumped at on the principle of not looking a gift horse too closely in the mouth. He notes Professor Joly, Mr. D. J. Whitney, and Professor A. Holmes recording the most completely discordant results from tests of radio-active ores obtained from the same rocks. He remarks that the present theory assumes that the rate of disintegration of radio-active ores has always been the same as today; whereas Lord Rutherford, Professor Joly, and Professor Fermi have expressed the opinion that the radio-active elements may be simply the end-product of other elements which disintegrated so rapidly that no trace of them now remains on earth.

Sir Ambrose Fleming, F.R.S., in a presidential address to the Victoria Institute in 1935, said, "It is certain that the geologists have not found any generally agreed and unquestionable test by which to determine the geological age in years of earth crust materials or deposits and the assumptions made by some are disputed by others." Sir Ambrose Fleming has since continued to insist emphatically on the worthlessness of present evolutionist chronology, and he appears to have good grounds for doing so. In every sphere it touches evolution demands the wholesale manufacture of conclusions to fit in with preconceived theory.

Although now supplied with years by the thousand million, the main result seems to be that science finds species remaining unchanged over longer periods than was the case under its former chronology. This stability continues to be the great fact presented both to the zoologist and the botanist. Coupled with it is also another impressive fact, the endless small variations within the species themselves. Species exhibit all manner of varieties and strains within the interbreeding community, and within these varieties and strains again are endless small individual differences. Here in Nelson, New Zealand, we had the eminent Dutch botanist and evolutionist, Dr. J. P. Lottus tell us in his Cawthron Lecture in 1927 that: "It is practically impossible to make a group of identical individuals; we can but make a group of similar individuals, because in nature no two individuals are alike in all respects." Many other naturalists have made similar remark.

"To my mind," says Mr. Dewar, "one of the most impressive phenomena of the organic world is this variety, coupled with stability of the type. It would seem that in a sense every individual is a new creation" (*More Difficulties*, p. 72). Mr. Dewar adds that he knows of

no better explanation of this variety than that given by Paley away in 1802 in his *Natural Theology* (p. 170), when he wrote that what we see around us might "induce us to believe that VARIETY itself, distinct from every other reason, was a motive in the mind of the Creator, or with the agents of His will." In Paley's day not so much was known about this variety in individuals as is now the case. Nobody, for example, had then recognised that apparently the whorls on the finger tips are not alike in any two human beings.

So far from evolution having relieved naturalists of the task of deciding What is a true species and what is not, one finds them still busy discussing the point. In 1938 the Linnaean Society of London celebrated its 150th anniversary with a symposium on "The Concept of Species from the time of Linnaeus to the Present Day." From the *London Times* report (May 26, 1938) it appears that the speakers were agreed that species are a reality, and that a number of them were of the opinion that the true concept of species is an interbreeding community. This, of course, is sliding back a long way from Darwin's idea that in the light of evolution a species is merely a group of similar individuals of sufficient importance to deserve a specific name—a purely arbitrary conception, in short.

As to what are true species—using the word as connoting interbreeding communities—it appears that science today has very limited knowledge. In the Linnaean Society discussion Dr. Karl Jordan of the Tring Museum pointed out that a large number of described species are known only from a specimen or two, and great numbers of them are probably mere varieties within other species. In the *Oxford University Evolution* book (p. 108) Dr. O. W. Richards remarks that there is only one way to obtain genetical information about species, and that is by breeding experiments. He points out, however, that "many animals are extremely difficult to breed in captivity, and in any case there is no hope that more than a few of the very numerous known species of animals can be investigated genetically."

To a layman it appears curious that with the scientists all at sixes and sevens as to what constitutes a species, they should all be so dogmatic on the origin of species. The cart seems to have got before the horse. Mr. Dewar as an anti-evolutionist and a believer in special creation adopts a more rational attitude. In his *More Difficulties* (p. 10) he says he does not in the least profess to know what the units of creation are. He does not assert that every species, every genus, or even every family has been specially created. He holds it the duty of biologists to try to discover what these units are. In his opinion the data at present are not nearly adequate to make even a tentative pronouncement; and "all that can be safely said is that so far, breeding experiments seem to indicate that the units of creation are small, or in other words, that the number of these units is great."

It is interesting to note that Professor St. George Mivart in his

Genesis of Species in 1871 quoted various passages from the writings of the early Christian Fathers which showed them as holding it allowable to believe that existing forms of animals and plants are not necessarily the forms of their original creation, but are derived therefrom. Mr. Dewar from his anti-evolutionist point of view says he sees no harm in scientists adopting evolution as alternative hypothesis to creation, but, he adds, "I consider it suicidal to adopt evolution as a creed, to distort facts to cause them to conform to it, to brush aside facts not amenable to it, and to minimise difficulties" (More Difficulties, p. 205).

The task of science is to trace back the chain of causation as far as she can, preceding step by step from fact to fact. The theory of organic evolution is assertion unsupported by evidence, and is an invasion by science of the domain of philosophy and religion. In tracing back causation science must in any case come to a point beyond which she cannot go. Man's rational intellect has its limitations, and is quite incapable of conceiving a First Cause. There are only three possible ideas as to the origin of life : (1) that it was created by external agency, (2) that it has always existed, and (3) that it is the product of spontaneous generation. Modern evolutionist science rejects the idea of creation as "incredible." Major Wren in his *Evolution, Fact or Fiction* ? quotes various pronouncements on the point. Says Professor J. B. S. Haldane, "The evidence for the existence of a superhuman Designer . . . was invalidated by the discovery of evolution and the theory of Natural Selection" (An Address to Modern Churchmen, Oxford, 1926). Sir Arthur Keith is quoted as stating, "To say that God made matter, and out of dead matter made living matter, cannot satisfy even a child's intelligence, for the child's next question is sure to be, 'and who made God ?' "

In point of actual fact the constancy of species—which we have noted as impressing itself so strongly on the scientific mind of late— coupled with the endless variety in the individual organisms, is much more consistent with the idea of special creation than with evolution. The observed fact that apparently no two individuals in nature are exactly alike in all respects is in harmony with the intuition of mankind that every living thing is a direct and unique manifestation of the creative power of an omnipotent and omnipresent Deity. When the evolutionist rejects the idea of special creation as "incredible" the most he can say against it is very much what Mr. Dewar in his *Man: a Special Creation* (p. 95) quotes Dr. S. Zuckerman as saying with respect to human beings :

"Either evolutionary change or miraculous divine intervention lies at the back of human intelligence. The second of these possibilities does not lend itself to scientific examination. It may be the correct explanation, but, from the scientific point of view, it cannot be legitimately resorted to in answer to the problem of man's dominantly successful behaviour until all possibilities of more objective explana-

tion through morphological, physiological and psychological observation and experiment are exhausted" (Functional Activities of Man, Monkeys and Apes, p. 155).

The scientists are not content to adopt a neutral attitude. They are not content to state the plain truth that science has nothing to report about the origin of species, and that the quest for evidence of evolution has run to a dead end with negative results in every direction. They insist on ramming evolution down the public throat, evidence or no evidence. In doing this they cease to be scientists and become theologians. The majority of present-day scientists are atheistically inclined, and evolution provides them with a philosophical background for their atheism. The basic issue is thus not scientific but theological.

When the history of modern evolutionist theory is studied its atheistical basis stands out conspicuously throughout. Any reference book in outlining the history of the theory will be found making reference to Buffon (1707-1788), Erasmus Darwin (1731-1802), Lamarck (1744-1829), and finally Charles Darwin (1809-1882). The Comte de Buffon was a prominent figure among the French philosophers and men of letters inveighing against established religion and providing the ideas which were presently put into practical application in the French Revolution. Guizot in his *History of France* describes Buffon as "absolutely unshackled by any religious prejudices"; and notes him pulling strings to avoid having his *Histoire Naturelle* black-listed by the ecclesiastical authorities. An old encyclopaedia (Chambers, 1885) describes him as "largely participating in the vices of the time," and his widow was the last of the numerous mistresses of the Duke of Orleans before that prince was guillotined in the revolution. Buffon put forward evolutionist views, and declared life and mind to be a property of matter.

Lamarck's religious views are not mentioned in any reference book at hand, but he was under Buffon's patronage and was tutor to Buffon's son for a number of years, and presumably found the atmosphere of the household to his taste. Alison's *History of Europe* (i, 176-7) states : "Almost the whole of the philosophical and literary writers in Paris, for a quarter of a century before the French Revolution broke out, were avowed infidels; the grand object of all their efforts was to load religion with obloquy, or, what was more efficacious in France, to turn it into ridicule. When David Hume was invited at Paris to meet a party of eighteen of the most celebrated men in the French capital, he found, to his astonishment, that he was the least sceptical of the party : he was the only one present who admitted even the probability of the existence of a Supreme Being." It does not appear whether Buffon was of this company, but he ornamented many such gatherings.

Erasmus Darwin, grandfather of Charles Darwin, aired evolutionary views in his *Zoonomia* published in 1794. He was a physician at Derby and became acquainted with Rousseau during the period

when the latter was living in exile in England at Lichfield under the patronage of David Hume, and corresponded with him thereafter. Rousseau was the chief philosopher of the French Revolution, affirming that man was born innocent and good, that the savage was the model of every virtue, and that all miseries and vices were due to the tyranny of kings, the deceptions of priests, the oppressions of nobles, and the evils of civilisation. Property, he declared, was the great evil which had ruined mankind : and self-control was a violation of nature. It was significant of much that was to come that Rousseau opened his famous *Discourse on the Origin of Inequality* by saying, "Let us begin by laying facts aside as they do not affect the question."

Charles Darwin in his *Life and Letters* (iii, 179) describes his father, son of Erasmus, as "a freethinker in religious matters," and although he himself was at one time a divinity student at Cambridge, he presently turned his back on both the Church and Christianity. It is noticeable that both Darwin and Huxley abandoned their religious beliefs at or about the time at which they adopted evolutionist views.

Darwin derived the basic idea of his theory—the struggle for existence—from Malthus, and it is curious that although Malthus himself was a clergyman of the Church of England, his father, Daniel Malthus, according to Beale's *Racial Decay* (p. 38) was a friend and executor of Rousseau. If Buckle's statement in his *History of Civilisation* is correct, and Voltaire was the real originator of the Malthusian idea of population increasing faster than food supply, we have yet another root of modern biological science running back into the midst of French pre-revolutionary philosophy. "Voltaire," says Guizot's *History of France*, "has remained the true representative of the mocking and stone-throwing phase of free-thinking ... At the outcome of the bloody slough of the French Revolution and from the chaos it caused in men's souls, it was the infidelity of Voltaire which remained at the bottom of the scepticism and moral disorder of the France of our day" (Sampson Low's edition, 1889, p. 521).

The foregoing facts are sufficient evidence of a pronounced atheistical background in the incubation of the theory of organic evolution. It is obvious that if belief in God is rejected, a necessity at once arises for some theory accounting for the origin of life otherwise than by creation from the dust of the earth. Evolution meets this need, and the indications throughout are that evolution is a theological and not a scientific product. It was invented to meet the requirements of atheism, and it is maintained and propagated for the same reason.

Chapter XI

MAN AND CIVILISATION

THAT expensive compendium of evolutionary fairy stories, the fourteenth edition of the Encyclopaedia Britannica, opens its article on civilisation with the announcement that "there could be no real understanding of the fundamental characteristics of civilisation until the fact was well established and digested that if we could trace back man's lineage far enough we should find it merging into that of wild animals." The truth of the matter is that modern research into the origins of civilisation and human culture is busy all the time piling up a mass of facts totally inconsistent with any such evolutionist ideas.

The archaeologists excavating in Babylonia and Egypt report that they are unable to discover any beginnings to civilisation. As far back as they can go man is already civilised. At the same time the diffusionist school of anthropologists which has grown up in the past twenty years reports that the weight of evidence is that no savage race ever invented anything, and that all culture was diffused from a common source in South-western Asia, with its centre somewhere about the head of the Persian Gulf.

On page 71 above we noted the late Professor A. H. Sayce remarking on this failure of archaeology to discover any beginnings to civilisation, and asking whether the truth was that the Bible was right after all, and man was civilised from the beginning. In quoting this passage in his book Dr. Bell Dawson did not mention its source, but it is possibly from the Huxley Lecture of 1930 on "The Antiquity of Civilised Man" which Professor Sayce delivered to the Royal Anthropological Society, and of which an abridged report appears in *Nature* of November 29, 1930. In that report one finds Professor Sayce remarking incidentally that the jewellery discovered in the remains of the earliest civilisation would grace a Bond Street jeweller's window today. When the present writer, in common with the many other New Zealand soldiers of the last war, visited the Cairo Museum, nothing impressed him more than the beautiful workmanship of the jewellery of the First Dynasty, dating back to a period almost as far before Moses as we are after him.

Writing of the earliest remains of pre-dynastic civilisation in Egypt, Mr. Arthur Weigall, formerly inspector-general of antiquities

to the Egyptian Government, says in his *Short History of Ancient Egypt* (1934, p. 19) : ". . . We find ourselves confronted with a civilisation in being and we really do not know whence it came. Writing had begun; the arts were already highly developed; great armies were in commission; cities had grown up; and the king was surrounded by his ministers and his nobles." Other archaeologists make similar report as to the absence of any discoverable primitive beginnings to these ancient civilisations.

Turning to the side of anthropology, we find a recent writer of the diffusionist school, Lord Raglan, who was president of the anthropological section of the British Association in 1933, providing considerable further food for thought. In his *How Came Civilisation ?* (1939, pp. 56-7) he states that all the evidence is that the inventions and discoveries on which European civilisation—that is to say, Graeco-Roman civilisation—was based, seem to have been made somewhere within a region centering on Persia and extending from Egypt to North India and China. "The question then arises," adds Lord Raglan, "were the people of Persia, Mesopotamia, etc., when they began to make all these discoveries and invent all these traits, savages ? The answer must be that if they were they must have been very different from any savages, either ancient or modern, of whom we know anything, since these latter, as we must repeat, are not known ever to have invented or discovered anything."

Current belief today is that the savage races of the world are in the same state civilised man is supposed to have been in a few thousand years ago, and if left alone would ultimately rise to civilised status by process of gradual "evolution." Lord Raglan in summing up the diffusionist case in his most interesting little book, says all the evidence is in exactly the opposite direction, and that "no savage society, when left to itself, has ever made the slightest progress." The only change that has ever been observed to take place in these isolated societies is a change for the worse.

Many lands are stated by Lord Raglan to provide evidence of this retrogression, and it is especially evident in Polynesia. Language and customs show that the people of the Pacific Islands from Hawaii to Easter Island and across to New Zealand probably spread from some common centre. They possess sea-going canoes, but since they have been known to Europeans they have never ventured far out of sight of land. Their ancestors must have made long voyages again and again. In many of the islands are erections built of large blocks of stone. The modern Polynesian is completely ignorant of the art of building in stone. Dixon in his *Building of Cultures* (p. 280) says that "the Polynesians in their eastward drift into the Pacific lost textiles, pottery, and metal-working, and gave up the use of the bow." Fragments of pottery are found scattered about on islands where the natives have now lost the art. In the New Hebrides the natives had the art of weaving in the seventeenth century, but have since lost it. Lord

Raglan devotes a chapter to instances of deterioration of culture among different savage races, and says that so far as he can learn there is nothing whatever to put into the scale against it. Savage races are capable of being civilised by missionary effort, but are incapable of civilising themselves.

Taking such items as the bow and arrow, the domestication of animals, the plough and the hoe, pottery and the potter's wheel, etc., Lord Raglan contends that all the evidence points to diffusion of these inventions and discoveries from a common centre. "I know of no case," he says, "in which anything which can be described as an invention has been recorded as having been made by a living savage . . . People who themselves have never had an idea exhibiting the slightest sign of originality have no difficulty in crediting primitives or savages with brains of the utmost fertility. . . what have Binks the banker and Brown the bus-driver invented ? There are in our midst thousands of intelligent and capable Binkses and Browns who have invented nothing whatever; can it really be believed that every savage community, however small and primitive, has produced a succession of men possessing an inventive genius such as has been totally denied to Binks and Brown? " (pp. 40-1).

Throughout historic times we know that civilisation has spread by diffusion. On what ground, asks Lord Raglan, are we to assume that in pre-historic times the exact opposite was the case and everything was independently invented? Everything points to things like the baking and glazing of pottery, the use of the potter's wheel, etc., etc., only being discovered once. The distribution of culture points to groups of people pushing out in all directions from the original home of mankind. The larger the cultural equipment in such a movement, the further it would be likely to get, and adaptation to the environment would probably consist of dropping whatever elements were unsuitable to life in the wilderness. On top of this, as families possessing skill in various crafts became extinct further cultural loss would be probable. In another striking passage Lord Raglan says :

"We know that our own civilisation in all but its latest phases, was not evolved locally, but derived from the Mediterranean. We know that Greece derived its civilisation from Asia Minor, Crete and Egypt. We, like the Greeks and Romans, have improved upon the civilisation which we received from outside, but it is quite untrue to say we evolved our own civilisation. It is then clearly not the fact that civilisation has everywhere been evolved out of savagery, and to say that it has anywhere been evolved out of savagery is a guess which cannot be supported by any evidence. As Niebuhr (quoted by Tylor, *Primitive Culture*, i. 41) remarked, 'no single example can be brought forward of an actually savage people having independently become civilised.' So far as we know, all civilisation has been derived from pre-existing civilisation, not from savagery.

"Of the real beginnings of culture we know nothing for certain, and it is very doubtful whether we ever shall. It seems likely that the cradle-land of the human race was in South-western Asia, where was also the seat of the earliest civilisations, yet there are fewer traces of 'primitive man' there than in many other parts of the world. Whether this is because the earliest cultures are beneath the silt of the Euphrates or the Indus, or whether their remains still await the chance disturbance of the surface at some hitherto unsuspected spot we cannot say. What we can say is that all the facts alleged as the beginnings of culture are fallacious" (pp. 50-1).

It is impossible to present here even an outline of the evidence on which the diffusionist anthropologists reach their conclusions. Lord Raglan's intensely interesting little book so freely drawn upon above, gives the most recent outline of the case; and the reader desiring more information will find it in the books of Dr. W. J. Perry and the late Sir Grafton Elliot Smith, formerly professor of anatomy in the University of London, who appear to have been the leading exponents of this line of research. It may be mentioned in passing that the diffusionist contention is that the Maya and Inca civilisation of America was carried from East Asia by sea-voyagers across the Pacific. Like the ancient civilisations of the Near East, this appears to have no primitive beginnings; and the diffusionists point to many remarkable affinities with Asiatic civilisation.

Coupled with the inability of the archaeologists to uncover any primitive origins of the Mesopotamian and Egyptian civilisations, the evidence assembled by the diffusionist anthropologists presents believers in human evolution with some very considerable nuts to crack. Curiously enough, the diffusionists themselves are all convinced evolutionists. The late Professor Elliot Smith ranked as a leading authority on monkey-men. Lord Raglan in his book says on page 56 that "we may suppose that man v/as evolved from the ape within this region" of ancient culture. Dr. Perry in his *Growth of Civilisation* (1924) on page 112 reveals himself as an evolutionist also. His view is that through a misunderstanding of evolutionary doctrine it has been assumed that simple forms of social organism must necessarily have preceded the more advanced in all parts of the world. Both he and Professor Elliot Smith claim in their books that Egypt provides evidence of a development of civilisation from primitive beginnings. The archaeologists, however, appear unable to find evidence either there or anywhere else of the origins of any of the ancient civilisations.

Accepting evolution in general, the diffusionists reject all idea of evolution as an operating principle in human society. We have seen the flimsy and worthless evidence which is supposed to show mankind as descended from brute beasts. On top of this the archaeologists are unable to find any trace of civilised man ascending from barbarism. Finally, to crown all, the diffusionist anthropologists pre-

sent a mass of facts all pointing to the diffusion of culture throughout the world from some common centre. They may overstate their evidence in some respects, but they certainly assemble together enough to make an exceedingly strong *prima facie* case against the idea of any upward evolutionary movement from barbarism to civilisation. The net result is complete demolition of any idea whatsoever of evolution in mankind and human affairs. In view of all the facts the following from Mr. Dewar's *Man: a Special Creation* (p. 28) is to the point :

"We have no reason for supposing that ... the mental powers of the pre-historic men known to us were lower than those of their descendants; in these early races of man, to quote Professor W. Schmidt (*European Civilisation*, 1934, p. 76) : 'No "ape-like" features are to be found. On the contrary, their really human character manifests itself with purity, clearness and beauty, as certainly as anywhere else in the whole history of mankind . . . Thus, once and for all, we may finally abandon any expectation of fresh evolutionary links being established between the spiritual life of man and that of the highest forms of animal life. Even in the earliest representatives of mankind known to us, the soul is so absolutely and completely human that the advance to it from the highest level of the brute creation is more plainly than ever seen to be an impossibility, and mental development such as evolution requires it utterly excluded.' "

Lord Raglan points out that except for the complex known as Western civilisation, all the cultures of the world today are in a state of decay and degeneration. Civilisation, he says in concluding his book, is far from being a process which keeps going on everywhere. It is really an event which has only occurred twice on the grand scale. All the evidence suggests that the first time was somewhere in Southwestern Asia about the fourth millenium B.C., at which time a number of discoveries were made—corn-growing, cattle-breeding, metal-working, pottery, the wheel, the sail, the loom, the brick—which discoveries were diffused in varying degree about the world. This civilisation reached its prime, and then stagnated and decayed, finally collapsing with the fall of the Roman Empire, the Romans themselves inventing practically nothing.

After a thousand-year interval a new burst of enterprise and inventiveness came, and our present Western civilisation began to arise. "Our Western civilisation," says Lord Raglan, "is not a product of evolution or any other natural process, but the result of a series of historical coincidences" (p. 181). In 1400 Europe knew very little that had not been known in Babylon, Egypt, Greece and Rome. In the fifteenth century four very important events occurred. The Turks took Constantinople, and the dispersion of the scholars of the Byzantine Empire flooded Europe with classical knowledge; America was discovered and a new world opened up; block printing was introduced from China; and a ferment of religious thought accompanied the rise of Protestantism. The upshot of these happenings was a

stirring among mankind which has continued to our day, with steam, electricity, and all manner of inventions transforming life throughout the world. How the first civilisation arose we do not know; but Lord Raglan points out that it was religious in its inspiration, whereas the second was mainly secular. Other writers, however, dwell on the fact that learning was preserved through the Dark Ages in the monasteries and by survival to the fifteenth century of the Christian Byzantine Empire; that the synods of the Church provided the pattern on which the representative political institutions of Europe were modelled; and that the Christian tradition gave Europe a totally different civilisation from the despotisms of Asia, all kingly power being viewed under it as held in stewardship from God.

The diffusionist anthropologists, as already remarked, are evolutionists who flatly reject evolution as a factor in human affairs. Evolution apparently operates throughout the rest of nature, turns apes into men, and then suddenly ceases to operate for reasons not explained. The diffusionist literature is unsatisfactory in that fact and speculation are as badly mixed up as in the rest of present-day scientific literature, and it is not always easy for the lay reader to discover where one ends and the other begins. The diffusionists are orthodox scientifically in their views in so far that evolution is evolution up to man's appearance, and religion is apparently superstition wherever appearing. Nevertheless, the actual facts they present as to diffusion of culture from a common centre are numerous, striking, and destructive of belief in human evolution.

The late Sir Grafton Elliot Smith in his *Human History* (1934 edition, pp. 59-60) is even more emphatic than Lord Raglan in his rejection of evolution as a factor in human affairs. The idea that human destiny is under control of the terrestrial forces of nature he regards as a mistaken and fallacious application of science to history. He protests strongly against the almost mystical significance given by some writers to climate and geographical environment as implying "some inevitable process of mechanically working development leading to inevitable results in shaping human qualities and behaviour." History, he says, is cataclysmic, and he quotes with high approval an article to this effect by Sir Charles Oman, former professor of modern history at Oxford, in the *National Review* for February, 1929.

In the history department at Oxford University the student under Professor Oman apparently had to leave his evolutionist ideas outside on the doormat for the time being. Professor Oman is quoted as saying : "Two generations have now passed since the blessed word 'Evolution' was invented, and was applied as a universal panacea for all the problems of the universe—historical no less than physical or metaphysical. By this I mean that a whole school of historians have set forth the thesis that history is a continuous logical process, a series of inevitable results following on well-marshalled tables of causes." Sir Charles Oman will have none of this. The career of mankind, he

says, has been shaped by accidents and catastrophes and by the action of dominating personalities who have deliberately provoked great movements, peaceful and warlike, which have shaped the destiny of the world.

"The great events in Human History," says Professor Elliot Smith, "were provoked by individual human beings exercising their wills to change the direction of human thought and action, or by natural catastrophes forcing men of insight to embark on new enterprises." He points out that, according to Sir Charles Oman, America would have been colonised by the Norse inhabitants of Greenland if the Black Death in 1350 had not completely destroyed these people. Eventually, the irruption of the Turks into Europe blocked the old trade routes to Asia, and led to search for a new route to the Indies. These historical incidents provided the predisposing causes for a momentous event. But it was the vision and persistence of Columbus which effected the transformation.

The importance of the individual is similarly stressed by Lord Raglan in his *How Came Civilisation?* (p. 172). "Sentimentalists," he says, "may imagine that new culture forms arise from the 'communal mind' or the 'spirit of the folk' or some such abstraction, but the fact is that new ideas can only occur to individuals and do only occur to highly exceptional individuals." Lord Raglan incidentally remarks that it is often assumed that decay is due to conservatism. But decay can occur in other ways than by standing still or going backward. "It is often less realised on the other hand," he adds (p. 172), "that decay of culture can be brought about even more rapidly by breaking away from the past; by the belief that we could and should go back to nature, shaking off the burden of tradition and all that it entails, and living and developing in the innocent freedom of primitive man. People who think like this fail to realise that man became man by getting away from nature, and that it is unnatural not merely to cook food and wear clothes, but to read and write, and even to speak. We learn these arts not from nature, but from tradition. The belief that primitive man was wiser and better than we are is really a symptom of degeneration, of 'that degeneration of the democratic theory which imagines that there is a peculiar inspiration in the opinions of the ignorant' (John Buchan, *Augustus*, p. 340)."

An outstanding feature of the diffusionist argument is the emphasis placed on individual enterprise and initiative as the source and mainspring of civilisation. Equally outstanding is the disregard of the individual in the evolutionist interpretation of history, of which interpretation the Marxian socialist materialist view of history is an offshoot. The dominant idea of evolutionist philosophy as applied to sociology and history is the insignificance of the individual as compared with society past and present. In his *Critical Examination of Socialism* (1909, chap. viii) W. H. Mallock discussed this point at length. He remarks that the modern socialists did not originate this leading idea of

theirs, but borrowed it from the evolutionists, among whom Herbert Spencer was its most systematic exponent.

Herbert Spencer in his *Study of Sociology* (p. 35) lays it down that the great man is only the "proximate originator" of changes, and that the real explanation of these changes must be sought in the "aggregate of conditions" in which he exists. Mallock points out that Macaulay in his essay on Dryden said the same thing : " it is the age that makes the man, not the man that makes the age." This idea was the mainstay also of Buckle's *History of Civilisation*. Edward Bellamy in his *Looking Backwards*, a description of a socialist Utopia which had an enormous sale half a century back, likewise asserted that "nine hundred and ninety-nine parts of the thousand of the produce of every man are the result of his social inheritance and environment." Herbert Spencer in his book quoted goes at length into demonstrating that the inventor of a new printing press just installed by the London Times was no more than its "proximate initiator," and that the press was really produced by the "aggregate conditions" of the period. This aggregate of conditions similarly produced Shakespeare's plays.

Benjamin Kidd, a semi-socialist, is noted by Mallock as helping along the good work by pointing out that various inventions have been arrived at almost simultaneously, and "thus rival and independent claims have been made for the discovery of the differential calculus, the invention of the steam-engine, the methods of spectrum analysis, the telephone, the telegraph, as well as many other discoveries." It is thus inferred that almost anybody might make these discoveries. Mr. Mallock remarks that actually the position with many inventions is that a number of men are trying to scale a peak at the same time, and it is not surprising that two or three men of exceptional ability should sometimes simultaneously reach the previously virgin summit. That anybody might have made the invention is no more demonstrated by this happening than an ascent of the Matterhorn demonstrates that all the people in the tourist hotel at the bottom could have made it. Yet this is the burden all the time of the evolutionist-socialist song—the individual is nothing, environment is everything.

Mankind is viewed in the mass in these theories. But when anything practical is needed in life it is the individual man that counts. The patient at death's door is not helped by being told that man is a great physician and having the first passer-by taken in to attend to him. A series of great frescoes to adorn a public building is not secured by information from the sociological department that great artists are the product of the aggregate of conditions : millions of men subject to this aggregate of conditions might be taken off the streets and tried in turn, and nothing result but hopeless daubs.

The point to which the evolutionist-socialist argument is directed is to show the smallness of the products which the able man can really claim as his own. Another point that it seeks to make is the common-

ness of ability, which is regarded as purely a product of the environment. Furthermore, whether the great man is a rare or a common phenomenon, his inventions and discoveries become common property. Mallock observed Mr. Sidney Webb (now Lord Passfield, the pope of the Fabian socialists) giving a practical turn to the argument. He noted Mr. Webb, discussing the question of equal pay for all, and holding that the able man has no moral right to a greater share of the product of labour than the less able worker. If one man's brains and effort are responsible for nine-tenths of the value produced, and the other man's one-tenth, they are thus each entitled to fifty per cent. Mr. Webb is quoted as saying that this proposal "has an abstract justification, as the special energy and ability with which some persons are born is an unearned increment due to the effect of the struggle for existence upon their ancestors, and consequently, having been produced by society, is as much due to society as the unearned increment of rent."

Such is evolutionist-socialist philosophy applied to economic affairs. Mr. Webb's notion is not the aberration of a person of no account. It is the idea of one of the most influential socialists in the British Empire. The same idea forms the entire theme of a big book written by another eminent socialist, Mr. G. Bernard Shaw. In his *Intelligent Woman's Guide to Socialism and Capitalism* (1928), Mr. Shaw says equality of income is the basis of socialism, and on page 341 he says, "when there is a difference between the business ability of one person and another, the price of that difference is rent," and this "rent" must be "nationalised" by equal pay for all. Duffers and loafers under socialism are thus entitled to more than they produce : able and energetic workers, on the other hand, have no moral claim to the larger or superior produce of their labour, which is an unearned increment due to accidental effects of evolution and belongs not to them but to society. On this basis the idle man owes his idleness to society, the stupid man his stupidity, and the dishonest man his dishonesty. Nobody is responsible for anything, and all connection between conduct and the natural results of it is brought to an end.

Evolutionist emphasis on the environment as the controlling factor in the living world has long coloured political thought, and particularly socialist thought. Ability is assumed to be evenly distributed throughout the community and ready to spring forth in all directions with improved environment. When we turn to the actual facts as to the occurrence of ability, we find a different story. A handy summary of the results of various lines of investigation into the subject is Mr. Eldon Moore's *Heredity Mainly Human* (1934). Mr. Moore, on one side, reviews the facts revealed as to the distribution of ability by intelligence tests of school children. These tests are designed to discover the actual intelligence of the individual as measured by the time taken to solve various ingeniously devised problems. At the other end are various enquiries into the occurrence of exceptional ability,

based on examination of the biographies of great men of history, etc.

The intelligence tests, according to Moore and Professor Terman, show that about three-quarters of the children tested are bunched together within 15 per cent. of the average, above and below; and that a third of the total tested come within 5 per cent. of average intelligence either way. About one in ten ranges from 15 to 25 per cent. above average intelligence, and no more than two or three individuals in a hundred have intelligence in excess of this. So far as they go, these tests thus suggest that the community is not supplied with vast concealed reserves of surplus ability. A further fact revealed by the tests is that, taken generally, the intelligence of the children corresponds closely to the occupational and social status of the parents. On top of this, tests of children reared under identical conditions in orphanages, etc., and many of whom have never known their parents, are stated by Mr. Moore to show just the same distribution of intelligence according to the occupational status of the parents as do home-reared children. This indicates that heredity and not environment is the dominating factor, and that what the scientists have noted about living organisms generally applies with equal force to human beings. It further indicates that whatever its other defects, the social and economic organisation under which we have lived has been efficient on the whole in allowing ability to find its level.

Turning now to the inquiries into the occurrence of exceptional ability, we find Mr. Moore's analysis of a number of different investigations showing that exceptional ability runs very largely indeed in strains. For example, one of the first of these investigators, Sir Francis Galton, in his *Hereditary Genius* (1869) made a list of 451 greatest men of all time in eight different fields of endeavour. He then discovered that these 451 men had sprung from a mere 300 families, which families had produced a further 562 men of eminence. Nearly a third of the 451 greatest men had eminent fathers, whereas only about one person in four thousand in the general population had a father reaching the degree of eminence adopted in the inquiry.

Another inquiry, made by Gunn, selected from the thirty thousand biographies of the *British Dictionary of National Biography* some 200 greatest men in the period from 1500 to 1900. Of these 200 greatest men, 21.5 per cent. had fathers with biographies also in the Dictionary, 30 per cent. had brothers, and 64 per cent had sons. Only 31.5 per cent. had no such kin with dictionary biographies. In some walks of life family influence of course, can do much in helping mediocrity along to prominence. Family influence, however, cannot make a man into a great or even eminent poet, artist, musician, philosopher, or scientist, and Mr. Moore notes that the great men in these spheres had just as many eminent relatives as had those in such careers as the law, the army, public life, etc., where influence could operate.

Both lines of investigation as to the occurrence of ability in human beings thus demonstrate heredity as the dominating factor. On top of this Mr. Moore in his book (p. 204) notes another influence co-operating to marked extent. He remarks that "artists, musicians, scientists, and poets beat their illustrious brethren hollow in the number of eminent sons; and they are the men whose gifts are most individual, who live and work at home, and make the closest contact with their children. A pedigree examination which cannot be reduced to figures, further confirms me in concluding that the one environmental circumstance of material importance in these highest grades of achievement is—Family Tradition."

Both lines of investigation are in complete harmony with the report of the scientists that a living organism is what it is by virtue of the germ plasm inherited from its parents. Added to this we have the mass of matter the diffusionist anthropologists have been assembling, all pointing to civilisation as founded on the discoveries and initiative of a very small number of exceptional men. The inference is that a social and economic organisation which gives free play to initiative and ability wherever found is the type of organisation which is likely to result in the highest civilisation. Evolutionist philosophy as applied to politics has tended to exactly opposite conclusions, and is the basis of present-day ideas of a completely controlled economy with everything regimented from above, and with little or no room for initiative from below.

As like tends to produce like, and the different kinds of degrees of ability run largely in strains, it follows that a social organisation under which the son slips easily and naturally into his father's place is one most likely to have the highest degree of efficiency and stability—provided that at the same time the organisation has sufficient flexibility to enable exceptional ability at all times to push through to its level. Furthermore, what Mr. Moore remarks about the influence of family tradition applies much more widely than to artists, musicians, and the like. It suggests strongly that the family business undertaking with son succeeding father is likely to be about the best type of undertaking with highest traditions and efficiency. Under present-day ideas this type of business appears to have been specially selected by those in authority for extinction. The existing financial system has tended for a long time to entrap such undertakings into debt and then hand over their mangled remains for incorporation in some financier-controlled combine. Planning and control ideas further accelerate the process.

Summed up, the indications are that the application of political programmes based on evolutionist philosophy is more likely to plunge our civilisation into the stagnation and decay in which every other civilisation has sunk than to lift it to higher levels. In this, as in every sphere it touches, the false theory of evolution is potently at work as an agent of disintegration.

Chapter XII

CONCLUSION

SIX years ago a small group of scientific men and others launched an Evolution Protest Movement in London. In a circular they issued it was pointed out that subversive doctrines were undermining every side of national life, and that this pointed to some fundamental fallacy operating on the national mind as a whole. This fallacy they believed to be the acceptance as true of the theory of evolution and its employment as the spring of action in all spheres. The reader is now in possession of the necessary material for forming his own opinion as to the soundness of this contention. He has viewed the small substratum of fact on which this top-heavy theory has been erected. He has also traced the peculiar origins of the theory : has seen how observed facts on which scientists are now dwelling run in flattest contradiction of it: and has glanced briefly over some of its principal fruits in the spheres of theology, morals, politics and economics.

The outstanding fact about the evolution theory is that it was a revival in the middle of the nineteenth century of ideas which had formed part of the intellectual ferment leading to the French Revolution. The propagation of evolution in the universities of Britain and elsewhere has been accompanied by an exactly similar growth of atheistical and revolutionary thought to that preceding the upheaval in France a century and a half ago. The weight of evidence throughout as we have seen, is that evolution is a theological and not a scientific product. If belief in God is rejected it becomes necessary to provide some theory as to the origin of life. The theory thus provided is next bolstered up with such material as can be scraped together, in great part by reckless distortion of observed fact, and then in turn becomes the means of further propagation of atheism. The result is that immense numbers of people are swung adrift from their bearings, social tradition is weakened, and upon one set of false assumptions an endless series of further false assumptions is erected in every direction. The entire theory and its offspring are products of the forces of darkness and not of light.

Modern evolutionist thought without doubt had its birthplace in the atheistical and revolutionary philosophy of eighteenth century France. Nothing is more mistaken than to regard the French Revolution as the spontaneous uprising of an oppressed people. All the

evidence points to its having been a most carefully prepared event by men of great, though diabolical, intelligence in whose hands the mob were mere pawns. One of the greatest historians of the nineteenth century was Lord Acton, and he wrote of the French Revolution: "The appalling thing is not the tumult but the design. Through all the smoke and fire we perceive evidence of calculating organisation. The managers remain studiously concealed and masked, but there is no doubt about their presence from the first" (vide. *The Cause of World Unrest*).

Many writers, such as Mrs. Nesta Webster in her *World Revolution*, and the *London Morning Post* in its book of reprinted articles of 1920, *The Cause of World Unrest*, have gone into the nature of the hidden forces behind the French Revolution and other revolutions. The indications are that there has existed down through the centuries from ancient days a body of thought opposed to the whole World Order, and from time to time inspiring bloody upheaval. In its broadest aspects the subject was discussed by Professor Gilbert Murray of Oxford in his essay on Satanism and the World Order published in 1920. Professor Murray pointed out that both by thinkers and writers of pagan Greece and later on by those of Christendom the belief has been held that there exists a Cosmos or Divine Order : that what is good is in harmony with this Order, and what is bad is in discord against it. Opposed to this, there has also existed a belief that the World Order is evil and a lie. After noting that an appalling literature of hatred is in existence, dating at least from the eighth century B.C., Professor Murray added : "The spirit I have called Satanism, the spirit of unmixed hatred towards the existing World Order, the spirit which rejoices in any great disaster to the world's rulers, is perhaps more rife today than it has been for a thousand years. It is felt to some extent against all ordered Governments, but chiefly against all imperial Governments, and is directed more widely and intensely against Great Britain than against any other power."

This idea is exactly that which the late Lord Sydenham, a former Governor of various parts of the Empire, expressed in his autobiography *My Working Life* published in 1927 : "That the main bulwark of law and order and of Christianity should be laid low by any and every means is, therefore, the main object to which all revolutionary forces are now directed. The rest would be easy. The Union Jack is the most formidable enemy of the Red Flag."

A remarkable book first published in 1935 takes the view that the basic conflict in the world is between Supernaturalism, in which all power and authority is viewed as derived from God on high, and Naturalism, in which all power is viewed as derived from man below. The latter view leads to deification of man, which was the essence of the revolutionary philosophy of Rousseau : and under it no eternal principles of right and wrong exist, and murder—for example—ceases to be a crime if a victorious majority at an election so decrees. This

book, *The Mystical Body of Christ in the Modern World* by the Rev. Dr. Denis Fahey, professor of philosophy and Church history at Blackrock College, Dublin, points out that having rejected Christ, the Supernatural Messiah, the Jews thereafter looked forward to a Natural Messiah and the establishment of a World Order under the Jewish nation. In this author's view all who do not fully accept the Supernatural Messiah are inevitably drawn, consciously or unconsciously, into the army which is working for the advent of the Natural Messiah. This line of thought is similar to the idea expressed by a Jewish author, Mr. Magnus Hermansson, who in his book, *Where Now, Little Jew ?* contends that the Jewish question will only be solved by both Jews and Christians adopting Christianity, a view which was not shared by the American Hebrew of May 20, 1938, in recommending both Jew and non-Jew to read Mr. Hermansson's book. This again takes us back to Lord Bryce's diagnosis that the trouble with the world is that the nations have professed Christianity without practising it.

It is at least certain that the revolutionary upheavals have not made the world a better place to live in. Dr. Fahey in his book (p. xxi) quotes a spokesman at the Assembly of the French Grand Orient in 1920 as saying: "Every revolution had for object to bring about universal happiness. When our ancestors proclaimed the principle of Liberty, Equality, and Fraternity, they aimed at realising this state of happiness. After one hundred and thirty years we see the result of their efforts, and they are not famous. Of Liberty, there is not a shred left; of Equality, there is scarcely a trace; of Fraternity, there has never been a sign."

It has been remarked that any human society will always and inevitably form itself into the shape of a pyramid, and that if the pyramid is overturned the units in the human ant-hill will immediately and necessarily build up another pyramid without a moment's delay in order to preserve their social existence. All that the people ever get out of a revolution is a change of masters. They may exchange a Tsar for a Stalin and an aristocracy of nobles for an overlordship of Bolshevik commissars, but they will never escape from the pyramidal organisation of their social machinery.

This point was discussed by Nicholas Berdyaev in his essays on *The Russian Revolution* (1931). The author was an eye-witness of the Russian Revolution up to 1922 as a Professor in the University of Moscow, but then abjured Bolshevism and all its works and went into exile. He points out that atheistic communism is Christianity turned inside out, and either Christians must put their Christianity into practice or see the world reorganised in the name of a godless collectivity. Christianity, he says, is the only basis on which a solution can be found for the painful conflict between personality and society, which communism resolves in favour of society completely crushing out personality. "And," Berdyaev adds, "it is also the only basis on which a solution can be found for the no less painful conflict between the

aristocratic and democratic principles in culture, resolved by communism in favour of completely overthrowing the aristocratic principle. On a basis of irreligion, either aristocracy oppresses and exploits democracy, or democracy vulgarises the souls of men, lowers the cultural level, and destroys nobility."

"Good which does not work itself into life, which has turned into conventional rhetoric so as to hide actual evil and injustice," says Berdyaev, "cannot avoid raising revolt, and righteous revolt, against its own self. The Christians of our bourgeois epoch of history have created most painful associations in the minds of the working class; they have not done Christ's mission to the souls of the oppressed and exploited . . . The situation of the Christian world face to face with communism is not merely that of the depository of eternal and absolute truth, but also that of a guilty world which has not practised the truth it possesses, but rather turned traitor to it. Communists practise their truth and can always oppose that fact to Christians. Of course, Christian truth is much harder to carry out than communist truth. Much more, not less, is demanded of Christians than of communists, of materialists. And if Christians carry out less, and not more, Christian truth itself is not to blame." In Berdyaev's view, either the world must be renewed "in the name of God and Christ, of the spiritual principle in man, or in the name of divinised matter, in the name of a divinised human collectivity, in which the very image of man disappears and the human soul expires."

An enormous background lies behind the theory of organic evolution, our present subject. It has been noted that when Darwin published his *Origin of Species* he had apparently by no means fully convinced himself of its soundness. The fact of the matter is that after reflecting on the subject for over twenty years Darwin finally rushed into print in order to avoid being forestalled. Once his book had appeared and been acclaimed he cast all doubt aside and upheld his theory. Before publication all was uncertainty in his mind. For instance, in 1856 one finds him writing thus to his closest friend, Hooker, the botanist: "It is a melancholy, and I hope not quite true view of yours that facts will prove anything ... I do not fear being tied down to error, i.e., I feel I should give up anything false published in the [proposed] preliminary essay, in my larger work; but I may thus, it is very true, do mischief by spreading error, which I have often heard you say is much easier spread than corrected" (Darwin's *Life and Letters*, ii, 70).

Recent events remind us that in the public schools of New Zealand evolution and Christianity are very differently regarded. In bygone years a number of leading atheists, some of whom came to occupy high positions, took advantage of the dissensions of the Christian sects cleverly to engineer a movement to de-Christianise the schools as a step to universal de-Christianisation.

In October, 1940, the newspapers recorded the Director of Education as officially notifying the "Wellington Education Board that its decision to open the schools in its district by recital of the Lord's Prayer was entirely unlawful and of no effect. The Board, however, was reported as adhering to its decision. Turning to the Government Syllabus of Instruction for Public Schools issued in 1937—which repeated what had been there for many years—one discovers that whereas the doors of the State schools are kept tight shut against the eternal truths of Jesus Christ they are flung wide open to the manifold errors of Charles Darwin. The highly potent de-Christianising theory of organic evolution is laid down as one of the subjects to be taught to schoolchildren under the compulsory education system of New Zealand. Under the heading "Nature Study and Elementary Science" the syllabus says:

"The material for this subject is practically inexhaustible in that it comprises the whole of the animate population of the world together with the physical setting into which the many organisms have been born, and in which they have fought and are fighting their way upward to higher and yet higher stages of development. Ultimately Nature-Study should aim at enabling Man to understand and appreciate to some extent the scale of the universe and his own place in it" (pp. 42-3).

". . . The scheme should provide for progressive treatment of the subject as the pupils advance in their school life, and in the higher classes the pupils should gain some definite ideas of the principle of evolution" (p. 43).

In passing, it may be noted that the New Zealand public school syllabus is not altogether up-to-date in its idea of evolution. It visualises living things fighting their way in the struggle for existence to "higher and yet higher stages of development." Darwin, it is true, concluded the *Origin of Species* with a picture of "progress towards perfection" by natural selection. Modern evolutionists are now satisfied to discover grounds for imagining evolution in any direction, upwards or downwards, sideways or forwards, purposeful or purposeless. In the Oxford University book on *Evolution* (p. 125) we find Professor A. M. Carr-Saunders writing as follows :

"The course of evolution has generally been downwards. The majority of species have degenerated and become extinct, or what is perhaps worse, have gradually lost many of their functions. The ancestors of oysters and barnacles had heads. Snakes have lost their limbs and penguins their power of flight. Man may just as easily lose his intelligence."

This learned professor is director of the London School of Economics, founded by Mr. Sidney Webb and his socialist Fabian Society and expanded with money obtained through Lord Haldane from Sir Ernest Cassel, international financier, which endowment

Lord Haldane told Mr. J. H. Morgan, K.C., had been provided "to raise and train the bureaucracy of the future Socialist State (vide *Quarterly Review*, January 1929). In addition to supervising this undertaking, Professor Carr-Saunders in the essay quoted above reveals himself as possessed of plans for human evolution. He says the "less well-endowed" sections of the population are breeding too freely today and are far ahead of the "better endowed" sections. This evil can, in his opinion, be cured "once a cheap, efficient and simple contraceptive is available." This will enable the poor to behave the same as the "better endowed" do. Professor Carr-Saunders's idea is that when the lower orders are cured of the habit of having children the upper-crust can be encouraged to have them on patriotic grounds and upward evolution can then begin—that is, presuming that no other nation happens to take a fancy to possessing the depopulated country in the meantime. The big immediate step in human evolution, according to this professor, seems to be get the lower classes into the abortion parlours, etc., without delay.

While this book is in the press further comment on the communistic leanings of New Zealand intellectuals comes to hand in the December, 1940, issue of a little Auckland publication, *View*. Some leading lights of Auckland University College had protested against the efforts of the Auckland Education Board to keep the primary schools clear of communistic teachers, and *View* said : "Whatever may be the value ... of the operations of the University in the field of natural science, the prevailing trend of its influence in the sphere of human affairs—the 'social sciences'—is somewhat worse than worthless. Its deliverances fall below the commonsense of the average man. This does not apply to New Zealand alone, but to most of its sources of inspiration and recruitment overseas."

If *View* will dig deeper still it will find that the essential worth-lessness of present-day university teaching is that natural science has been made a vehicle for atheistic and materialist propaganda per medium of the imbecilities of the evolution theory. The modern university college is a machine for de-Christianising and demoralising the community.

APPENDIX

SCIENTISTS WHO REJECT EVOLUTION

Evolutionists commonly make statements leading the casual reader to believe that all scientists accept evolution as established fact. If these statements are attentively read, however, almost all of them will be found to contain an unobtrusive qualification. For instance, in the current fourteenth edition of the Encyclopaedia Britannica the article on evolution says that "among competent biologists and geologists there is not a single one who is not convinced," etc. This means no more than that in the opinion of the writer of the article the scientists who reject evolution are not "competent." Similarly, when the council of the American Association for the Advancement of Science in 1922 proclaimed by resolution that "the evidences in favour of the evolution of man are sufficient to convince every scientist of note in the world," they are likewise merely throwing dust in the public's eyes. All that the announcement means is that this scientific body is blacklisting the scientists who reject evolution and is refusing to regard them as of "note." This strain runs through evolution from top to bottom.

The following list of scientists who have definitely rejected the entire theory of organic evolution is compiled from a pamphlet by Lieut. Col. L. Merson Davies, from a leaflet issued by the Evolution Protest Movement, and from names mentioned in Mr. Douglas Dewar's books :

PHYSICISTS

SIR J. AMBROSE FLEMING, F.R.S.

President of the Victoria Institute and Philosophical Society of Great Britain, has been awarded many medals and honours by various scientific societies; inventor of the thermionic valve making radio broadcasting possible; has flatly rejected the entire theory of evolution in numerous addresses.

Louis TRENCHARD MORE

Professor of physics, University of Cincinnati, U.S.A., an expert physicist who has ridiculed evolution in his *Dogma of Evolution* (1925).

ZOOLOGISTS

ALBERT FLEISCHMANN, GR.

Professor of Zoology and Comparative Anatomy in the University of Erlangen, Germany, a scientist of European reputation: roundly attacked evolution in 1901 in his book, *Die Descendenztheorie* (1901), and remained completely unmoved by the abuse heaped upon him; in a letter to Col. Merson Davies in 1931 said : "I reject evolution because I deem it obsolete; because the knowledge, hard-won

since 1830, of Anatomy, Histology, Cytology and Embryology, cannot be made to accord with its basic idea"; attributes persistence of evolution to "mankind's love of fairy tales."

L. VIALLETON

Professor of Zoology, Anatomy, and Comparative Physiology at Montpellier University, France, member of the Royal Academy of Science of Turin (which marks him as a leading European scientist); attacked evolution in his *Morphologie Generate* (1924); his book *L'Origine des Etres Vivants* appeared in 1929 and ran through fifteen editions by 1930, but being strongly against evolution no English translation ever appeared.

E. G. DEHAUT

French biologist and palaeontologist, author of numerous scientific works, professes his belief in intervention of creative power to produce new types.

DOUGLAS DEWAR, F.Z.S.

An authority on Indian birds, rejected evolution in 1931; and has since written the following books condemning it: *Difficulties of the Evolution Theory*, *More Difficulties of the Evolution Theory*, *Man, a Special Creation* and *A Challenge to Evolutionists*: the latter being a report of his share of a debate (as representative of the Evolution Protest Movement) with Mr. J. J. McCabe (representing the Rationalist Press Association), who threatened legal proceedings if his part of the debate were published.

GEORGE BARRY O'TOOLE

A Catholic lecturer or professor of biology; author of *The Case against Evolution*, published by the Macmillan Co., New York, in 1931.

VINCENZO DIAMARE

Director of the Institute of Osteology and General Physiology in the University of Naples, rejected evolution in a book published in 1912.

D. CARAZZI

Another Italian biologist quoted by Vialleton, rejected evolution in his *Il Dogma dell' Evoluzione*, 1920.

GIULIO FANO

Director of the Institute of Osteology and General Physiology in the University of Rome; attacked evolution in his book, *Brain and Heart*, of which an English translation was published by the Oxford University Press in 1926.

BOTANIST

JOHANNES REINKE, GRR.

Emeritus Professor of Botany at Kiel University, Germany; has published many papers attacking evolution; he and Professor Fleischmann, hold rank in Germany equivalent to about that of Privy Councillors in England.

GEOLOGISTS PAUL LEMOINE

Past president of the Geological Society of France and director of the Museum d'Histoire; describes evolution as "a sort of dogma in which its priests do not believe, but which they uphold before the people" (vide Dewar's *More Difficulties of the Evolution Theory*).

W. BELL DAWSON, D.SC., F.R.S.C.

A well-known Canadian geologist and a Laureate of the French Academy of Sciences; like his father, Sir J. W. Dawson, F.R.S., former principal of McGill University, Canada, he is a determined opponent of evolution; author of *The Bible Confirmed by Science*, and various pamphlets including *Is Evolution True ? No 1 to 5*.

G MCCREADY PRICE

Professor of Geology, and author of *The Phantom of Organic Evolution*.

LT.-COL. I. MERSON DAVIES, F.R.S.E., F.R.A.I., F.G.S.

A palaeontological research worker specialising in foraminifera, who states that he is constantly face to face with facts regarding the fossil faunas of the past which he is unable to reconcile with the theory of evolution.

ARCHAEOLOGIST

SIR CHARLES MARSTON, F.S.A.

Vice-chairman of the British School of Archaeology in Egypt, member of the executive of the Palestine Exploration Fund, and collaborator with Professor Garstang in the excavation of Jericho; author of *The Bible is True*.

The above list is not exhaustive, but it is sufficient to show that when evolutionists state that no competent biologists or geologists, or no scientists of note, disbelieve in evolution they are not telling the truth. The information at hand does not disclose the religious beliefs of all the above-listed scientists. Professor Fleischmann is stated to be an agnostic, and Professor L. T. More appears from his remarks to have no respect for the authority of the Bible. Sir Ambrose Fleming, Sir Charles Marston, Professors Reinke and McCready Price, Dr. Bell Dawson, Lieut.-Col. L. Merson Davies, Mr. Douglas Dewar, and the Rev. G. Barry O'Toole are listed as of Christian belief. There are many other scientists who do not believe in evolution but have not so far publicly rejected it.